2015 Annual Report

ZALARIS

Maximizing the *Value* of *Human Capital Through Excellence* in *HR Processes*.

Zalaris is a company that is always on the move – yet 100% focused on accelerating Human Resources (HR) value. We've been doing it for 15 years, as a dependable outsourcing and services partner on all aspects of Human Capital Management (HCM) as well as payroll processing.

Our customers are among the world's most successful companies. They turn to us for many reasons. We are cost effective. Fully informed about HR best practices, regulatory compliance and the industry's leading HCM solutions. Our expertise and platforms span multiple countries, from the Nordic and Baltic regions to Poland and India. Whether addressing strategic needs associated with recruiting, onboarding and unifying personnel around core competencies or handling high-volume transactions and 24x7 secure access to employee data, we consistently deliver in ways that count. On the go or in the office. We have the right resources, processes and guidance to help enterprises – and their people – realize their full potential.

We are Zalaris...the future in HR, HCM and payroll services.

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Dear Valued Shareholder

It has always been gratifying to reflect on the past at Zalaris, and 2015 was yet another encouraging year of progress and innovation. The journey ahead, however, always motivates us the most. We are proud considering our achievements to date – and how market factors correlate to a promising future.

Despite economic headwinds affecting many companies in 2015, Zalaris delivered 15% growth, reaching NOK 374 million, with 9.1% EBIT. Earnings per share nearly tripled to NOK 1.11 compared to fiscal 2014. Results were within our plan for the year, albeit on the lower end. We always strive to exceed goals wherever and whenever possible, of course, and 2015 set the tone for further improvements and increased efficiency:

- **Drove solid overall performance while establishing the Company's own service center in India, supporting internal cost-reduction plans as well as higher value to customers**
- **Secured new major outsourcing contracts with market leaders such as a Swedish Fortune 500 company and Norwegian Railways - NSB (our first public-sector outsourcing agreement)**
- **Strengthened industry partnerships, particularly with SAP, which named Zalaris a Gold Partner and supported creation of the Company's SAP SuccessFactors Center of Excellence**
- **Advanced cloud service offerings with sizable wins, such as the successful migration of a major customer from their existing HCM platform to the Zalaris cloud**
- **Invested in areas with superior growth potential and strategic advantages, including SAP HANA; organization-wide customer service improvements; and the introduction of a mobile application supporting access anywhere and 100% paper-free travel expense processing**

It was a productive year on many fronts. The Q4 opening of Zalaris India in Chennai brings unprecedented depth and breadth to our internal expertise, replacing a partner affiliation here while transferring the majority of its staff to this impressive new service center. All Zalaris offices, consultants and service personnel made meaningful contributions throughout 2015. This report captures many of the highlights.

Helping Global Leaders Capitalize on Human Capital

We are a leader in a field with significant upside. Companies increasingly turn to Zalaris for exceptional outsourced HR/human capital management and payroll processing solutions. This enables common multi-country payroll and people processes independent of geographic location and served by local competent staff. It is our core competency, and large enterprises realize we can more cost-effectively perform these functions as they intensify internal focus on what they do best. The model works – and works well.

Set for Future Growth

Zalaris is always forward-looking, and we are poised for continued growth. Our scalable infrastructure – including IT systems and service centers – is maintained with the latest versions of SAP Human Capital Management and Payroll software, running on SAP HANA in-memory technology. This core functionality optimizes both hardware and data processing with industry-leading response rates and run times, while ensuring we have the capacity, flexibility and scalability to achieve our goals.

In addition, SAP makes country-specific payroll options available for more than 50 nations, which can be configured on our system to facilitate geographical expansion without costly in-country development projects worldwide. Zalaris also seamlessly integrates SAP SuccessFactors' cloud and our own mobile interface as part of the end-to-end HR processes support we provide in conjunction with all relevant talent management functionality. We are amply prepared for current and future customer requirements.

Market analysts see substantial growth opportunities in HR Business Process Outsourcing in our covered segments. A key sweet spot for Zalaris is multi-country payroll delivered in a "Business Process as a Service" context. This "BPaaS" approach combines IT systems, SW licenses and corresponding services in a pay-per-employee consumption-based model – in use by our largest customers, and one of the areas forecasted to grow the most.

Throughout 2015, we strengthened our salesforce and increased local coverage for primary target markets. These initiatives will continue in conjunction with greater focus on marketing and interaction with advisory and industry analyst communities.

Looking Ahead, Advancing Agreements

We saw a positive pipeline of new opportunities developing as 2015 came to a close. Corresponding customer contracts are sometimes delayed due to timelines associated with related plans, such as the transfer of staff to Zalaris, which must also comply with internal process guidelines and local labor law requirements. Consequently, growth resulting from new customer acquisitions tends to vary from quarter to quarter while overall demand remains firm.

Organically growing our services to support the geographic footprint and needs of our customers has always been core to our strategy. However, we are also looking to establish Zalaris as a leading European provider of outsourced HR and payroll services. To accelerate our progress on this front, we are striving to advance geographical reach and coverage.

Highly Motivated, Extraordinarily Focused

Our people are energized, the market is primed. What we do *matters*. And not just for the customers that depend on Zalaris every day. We are helping them realize their potential – and our associates ascend in their careers. We accelerate HR value. It is a strong foundation we are going to make even better in 2016. It is also intrinsic to our conviction to deliver ongoing and long-term shareholder value.

Zalaris will always strive to meet and exceed ambitious objectives, with the highest of principles and a clear strategy to prosper in today's digital era.

Thank you for your support!

Hans-Petter Mellerud
Chief Executive Officer

Fiscal 2015

15% Increase *in Revenue*

9.1% EBIT

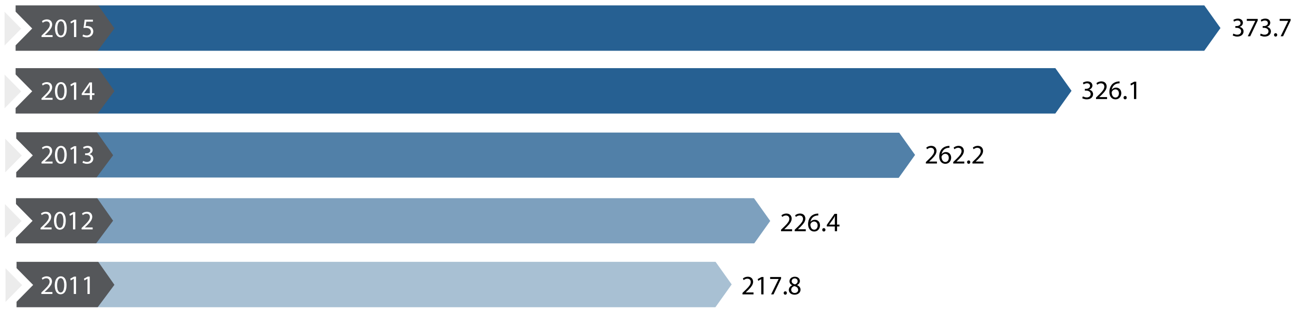
Earnings Per Share
Nearly Tripled *to* **NOK 1.11**

2015 Financial Highlights

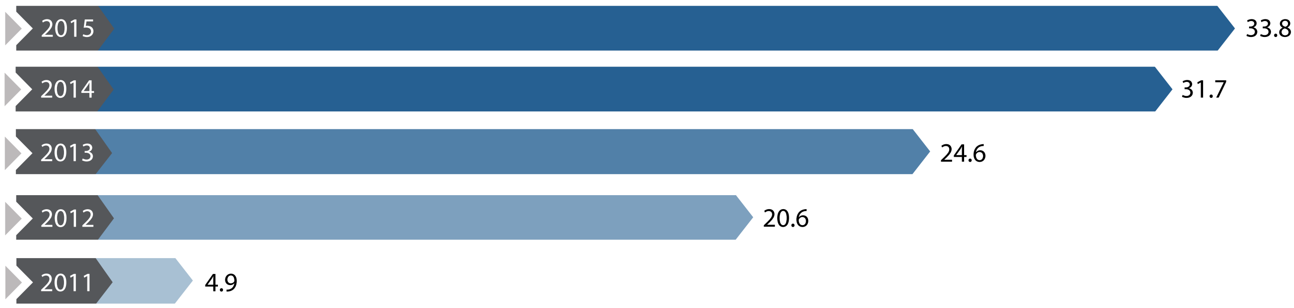
Zalaris continued to deliver solid financial performance in 2015. The history of success correlates to numerous factors, including a strong combination of exceptional business management practices and in-demand core competencies. The Company provides unique high-value services in a market that shows long-term promise. Zalaris' growth rates attest to this reality, along with current global market trends and the outlook for HR outsourcing partnerships. These figures also reflect management's commitment to delivering strong annual results while consistently investing in the future.

Zalaris takes a balanced approach to meeting customer requirements – building on and retaining the existing client base and advancing innovations year after year. The Company is focused on new business opportunities as well as methodically scaling all our offerings in accordance with changing market conditions.

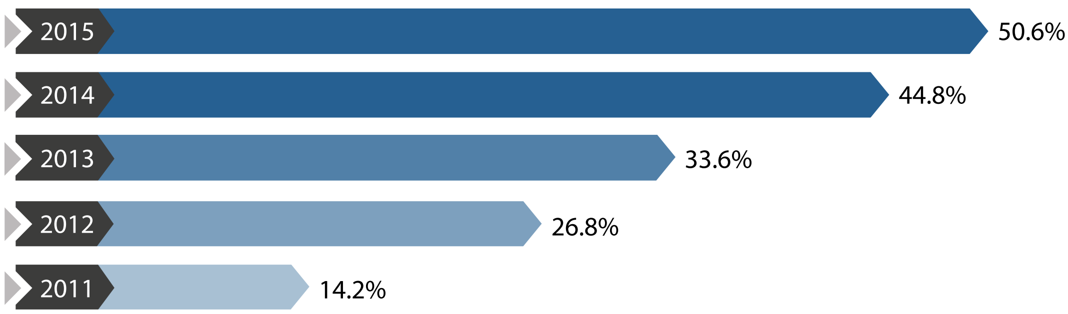
Zalaris' client portfolio consists mainly of large financially stable companies with high credit ratings. The value the Company provides often leads to new business with them as well as recommendation to other corporations. Zalaris' reputation and people stand out as our top marketing assets. It believes in the commitments we make and delivering on expectations…from customers and employees to partners and shareholders. Being a fiscally responsible company is as important to us as achieving the highest service levels possible.



Revenue Million NOK



Operating Profit Before One-Off Costs in Million NOK



Equity Equity Ratio

Zalaris' historical financial performance reflects the company's proficient business model and strong fiscal management practices.

Ahead of the Curve

Zalaris CEO Hans-Petter Mellerud founded Zalaris with a clear vision: providing pan-Nordic transactional HR services to mid-size and large enterprises across multiple industries. The vision has served the Company well, and this foundation continues to pave the way for future growth opportunities – with many exciting new dimensions in today's digital economy.

One of the reasons Zalaris' business model has thrived throughout the years is its adaptability to changing technological trends. The past decade alone has translated into a faster rate of change and adoption unlike any other in IT industry history. Big Data developments. Cloud innovations. Virtualization. Mobile computing. You've heard about these trends, of course, and they are all inherently part of what Zalaris now leverages and incorporates in its HR-centric value proposition. Extraordinary breakthroughs in data processing, storage and analytics coincide with unprecedented security threats – and new measures to fully protect sensitive information such as employee personnel records.

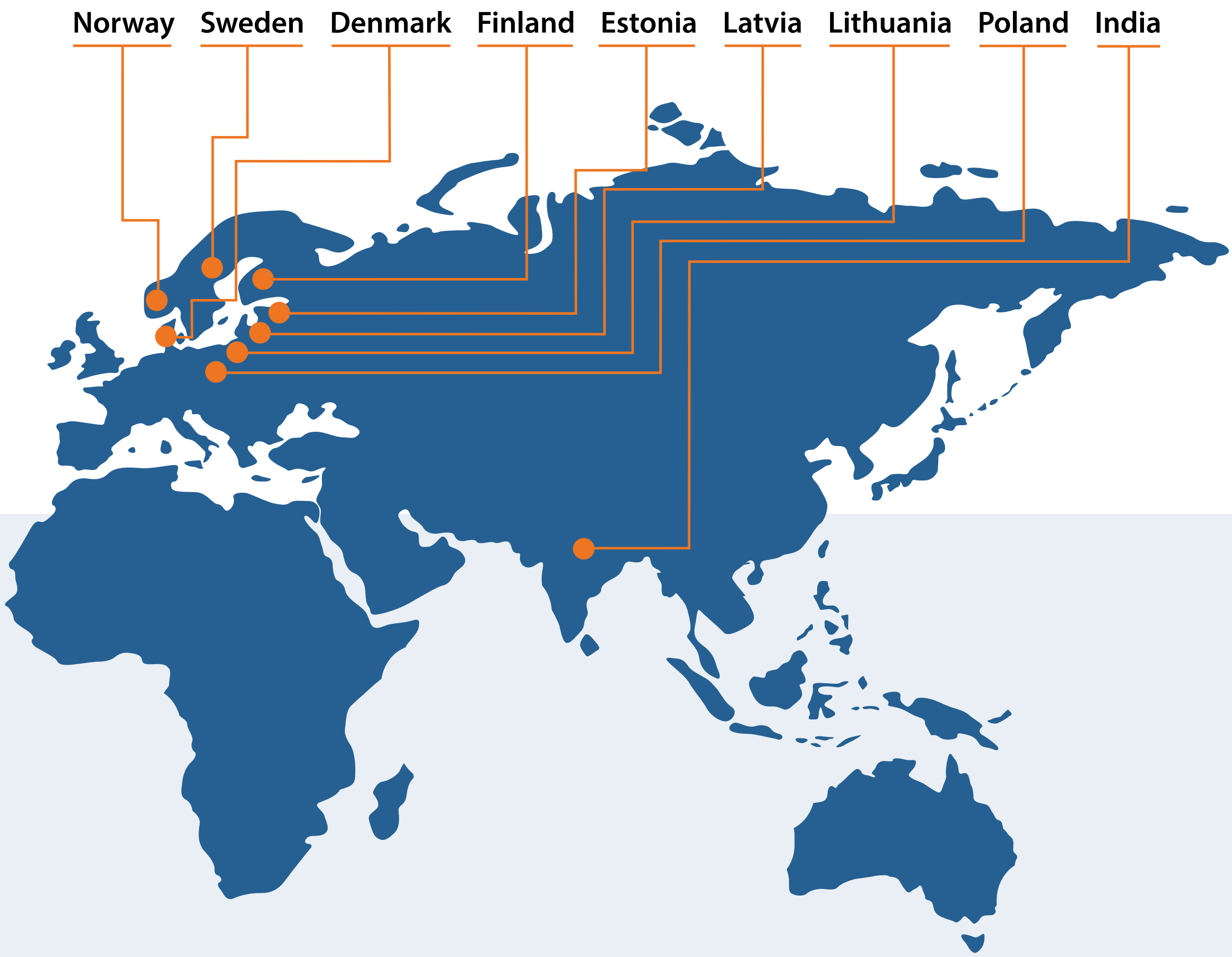
Zalaris has effectively responded to these and other changing market dynamics while helping lead many related advances in HR outsourcing. We've become increasingly strategic to our customers and their human capital management aspirations.

Beyond Transactions, Rising in the Cloud

As Zalaris steadily expanded its range of services and geographic coverage to all Nordic and Baltic countries as well as Poland and India, the Company's HR expertise flourished. We have outstanding talent and a proven means of enhancing and strengthening it, often with resources acquired in conjunction with client agreements, transitioning corresponding personnel to Zalaris within terms of its outsourcing partnerships.

Regardless of the technological innovations that occur, Zalaris is primed to capitalize. We work with industry leaders to not only keep pace but also refine capabilities – especially in the cloud. No other development has such profound implications in the enterprise markets we target. For Zalaris, which is already experiencing cloud success, the potential is exponentially greater than for many other types of companies. The reason is simple: Cloud makes perfect sense relative to HR functions and the expectations of managers and employees. We are obviously an HR services company first. Our cloud focus, however, will drive even more value on this front.

Zalaris proudly fosters workforce diversity and delivers on this commitment. Women are well-represented in all of the Group's companies and units, comprising 71% of the workforce and representing 37.5% of management personnel.



Zalaris is poised to grow its international market presence — ultimately into a more European business model focused on our HR/HCM/payroll processing core competencies. We are already exploring partnership opportunities to support geographic expansion.

Zalaris Through the Years...

- Became SAP ASP Partner, signed first Norwegian customer: Bravida (now Relacom) – a spinoff of Telenor – with 7'000 employees.
- Established our first service center in Lødingen Norway with transferred staff from Bravida. 2002 Established Zalaris Consulting as a result of need for in-house capability to implement and maintain our own SAP HCM solution.

- Implemented first SAP-based payroll customers in Denmark and Sweden. Finnish service center established based on pan-Nordic agreement with ExxonMobil, which, like many others, has remained a Zalaris customer to this day.
- Struck landmark deal with Nordea to serve 34'000 employees with fully outsourced payroll services in Sweden, Denmark, Finland and Norway.

- Became the only SAP Business Process Outsourcing (BPO) partner in the Nordic region. Established our near-shore presence in Latvia and off-shore partnership in India.
- Norsk Hydro chooses Zalaris as partner of outsourced payroll services for their Norwegian employees and pensioners – approximately 15'000 pay slips per month. Proffice also selects Zalaris for outsourced payroll services for their approximately 8'000 employees.

2000 2002 2003 2006 2007 2009

2010 2012 2013 2015

15 Years *of Continuous* HR Innovation

- Zalaris consolidates position as leading provider of outsourced payroll and HR services in the Nordic.
- Considerable investments made in new infrastructure to further improve services and quality, including one common Help Desk integrated with proven IP telephony solution across all operations. New talent management functionality rolls out to existing customers.

- Various large-scale agreements support continued growth, including Elkjøp/Elgiganten/ Gigantti, Finnair, Statoil Fuel & Retail (SFR), Telenor and TeliaSonera. SFR contract encompasses 23'000+ global employee workforce, plus three new countries for Zalaris: Poland, Estonia and Lithuania.
- Awarded the Nordic SAP Innovation partner of the year in 2012 and 2013 due to our HR analytics innovations with SAP HANA. Listed in June 2015 on the Oslo Stock Exchange. Swedish Fortune 500 multinational outsources payroll services for 20'000 Nordic employees to Zalaris. Consulting team executes first public-sector project in company history – 6'200 employees on our portal and new mobile app.

Zalaris Solutions & Services

Companies turn to Zalaris for a broad range of needs related to Human Capital Management and payroll processing. All of what we do comes down to having the right skills, services and technological capability to meet these requirements. This focus adds up to a compelling value proposition we have sharply honed over the past 15 years.

Continuing on the Right Track
2015 highlights included execution of the first public-sector project in Zalaris history: 6,200 employees on our portal and mobile app.

Our business strategy centers on five fundamental principles:

- **Cost leadership**
- **Service leadership**
- **Quality leadership**
- **Innovation**
- **Attracting the best people**

These principles are applied to all aspects of Zalaris' operations, which include three primary business segments: HR Outsourcing, Consulting and Cloud. Each area brings unique value to our customers and shareholders.

HR Outsourcing

Capitalizing on Current Trends and Long-Term Opportunities

The vast majority of Zalaris' business today flows through our HR Outsourcing model. This core competency includes end-to-end personnel and payroll services based on a common HCM Platform. Local-language service centers enable proficient delivery, with highly experienced staff who understand the ideal ways to address all human capital management requirements.

NOK 349.1 million
13% increase

Whether on a regional or country-specific basis, Zalaris offers the flexibility and value of near-shore and offshore development capabilities, giving customers the best of all worlds. Transactional back-office processes can be approached differently than more strategic aspects of HR, for example, to optimize overall cost management and ROI.

Consulting

Expertise that Brings Far-Reaching HCM Advantages to Life

From project management and implementations to technical and business support, Zalaris Consulting plays a unique and crucial role for the Company and its customers. These industry experts help large complex organizations make the right service and deployment decisions based on their specific enterprise-wide business needs and technology environments.

NOK 14.5 million
35% increase

Zalaris consultants bring a strategic level of value to customers across multiple industries and countries. They leverage best practices with integrated solutions and proprietary processes as well as advanced templates to methodically and efficiently achieve all milestones of utmost benefit. Turnkey solutions may also include cost-effective maintenance and support for the customer's on-premise infrastructure and applications.

Cloud Services
Tangible Value Today and Unlimited Potential Tomorrow

We offer a full range of cloud-based solutions supporting business execution, goal and performance management, as well as other strategic and transaction-oriented HR requirements. We realized considerable Cloud wins in 2015 that extend well beyond the increase in related revenue. One of our largest customers began its cloud migration with us — and set the tone for additional growth opportunities.

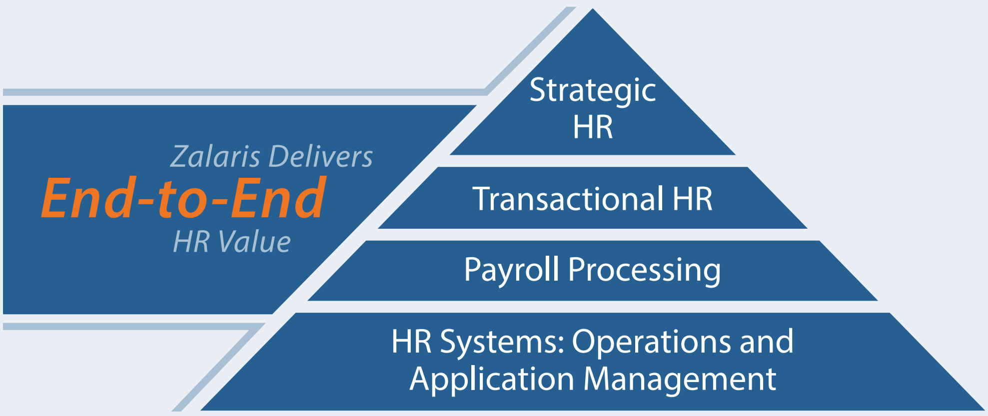
NOK 10.2 million
53.5% increase

Zalaris is well-positioned for this wave of innovation that is still in its early stages of HR/HCM adoption. We have gained a momentum in delivering cloud services — and see a great related future ahead with current and prospective customers.

Mobile in Motion

The Zalaris mobile app allows our customers to turn their smartphones or tablets into valuable workforce and management tools simplifying HR processes while helping support more flexible work schedule requirements.

The app lets users register time and absence, view pay slips and approve time and expenses...anywhere, anytime. Users can take photos of receipts and submit expenses right away. These new functions make it easier to track and submit travel costs without worrying about lost receipts.



Innovation in India

Chennai • India

Zalaris India associates visit Shore Temple in Mahabalipuram – near Chennai, India, where the Company established its own service center in October 2015. The temple (built in 700–728 AD) served as a landmark to ancient mariners in the Bay of Bengal, the world's largest bay.

Zalaris CEO Hans-Petter Mellerud strongly believes in the importance and value of a culturally diverse workforce.

New Service Center in India Advances Value to Customers...and Zalaris

A commitment to excellence thrives everywhere Zalaris operates. It is more than words or aspiration. We firmly believe that regardless of how well we do things, the endeavor to get better never ceases. Complacency is not in our DNA.

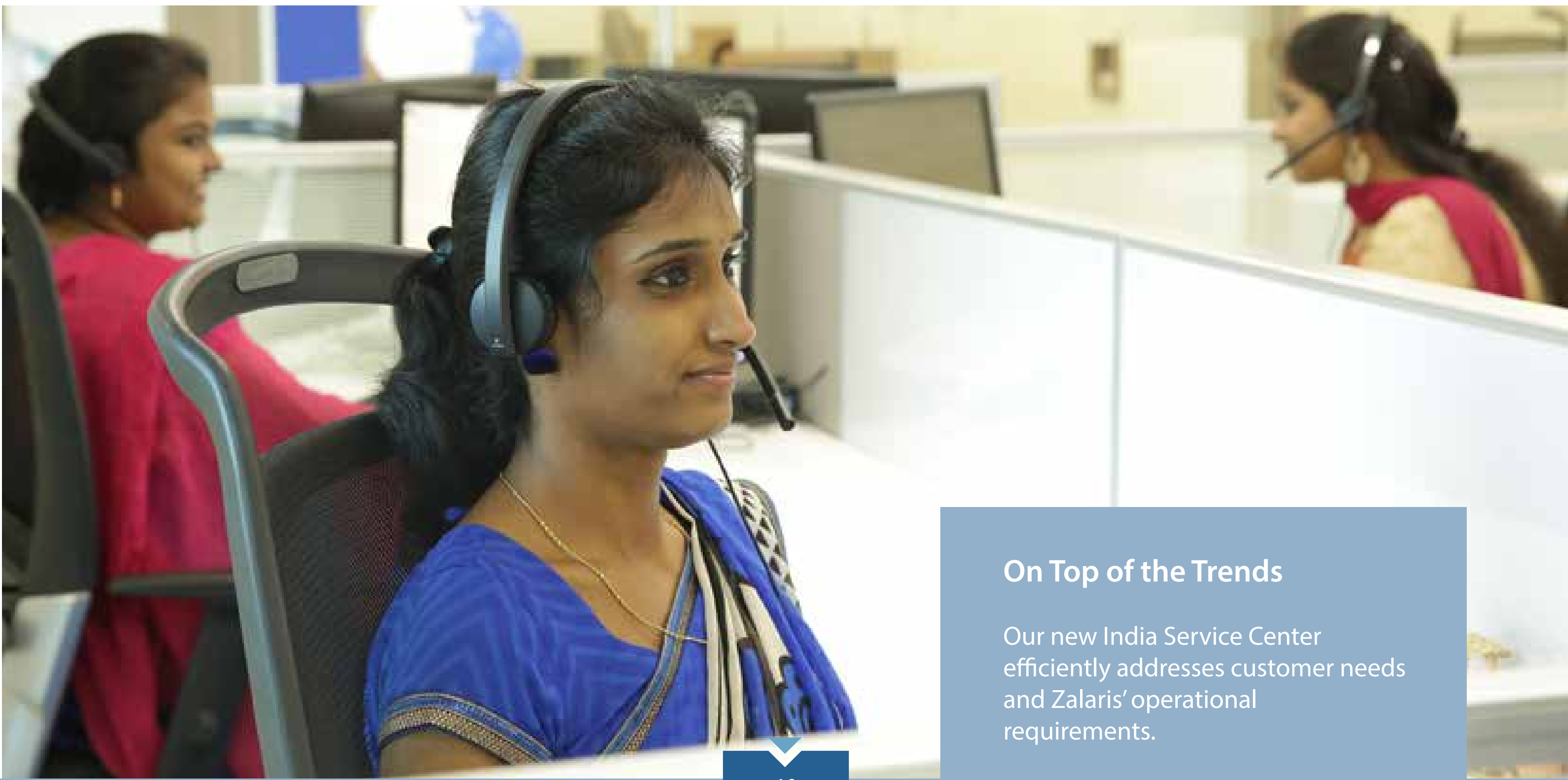
The October 2015 opening of our new service center in Chennai, India, reflects "the Zalaris way" in action. We are not new to this majestic bustling country, its colorful culture and central role in the technology industry. Our history in Chennai dates back to 2009, as we led a successful third-party partnership here to support growing international business needs.

After extensive review of how best to leverage and advance our presence in India, the next step became clear. We opted to transition the exceptional services already in place into a Zalaris-owned and operated facility. This included transferring approximately 50 highly motivated and well-qualified employees to Zalaris from our third-party in-country partner. Most of these specialists have several years of Zalaris experience. Their value is not only apparent today. Zalaris India means:

- Instrumental support for expanding current and long-term growth strategies
- Scalable infrastructure with lower overall operating costs and deep labor market
- New business opportunities with companies based in-country and regionally
- Tremendous upside as resource utilization accelerates and shifts to this location

Among other contributions, the team delivers top-notch offshore support in areas ranging from payroll and accounting to reconciliation and documentation processes – already representing close to 15% of total Zalaris service and support hours. They directly engage our offices in Norway, Sweden, Denmark, Latvia, Finland, Poland and Lithuania.

"Our team lives up to the same principles and high standards that Zalaris instills across all locations and service offerings," says Balakrishnan Narayanan, head of Zalaris India operations. "We are fortunate to have such a vibrant dedicated team, eager to take on any challenge or responsibility while consistently delivering exceptional quality as well as timely results."



On Top of the Trends

Our new India Service Center efficiently addresses customer needs and Zalaris' operational requirements.

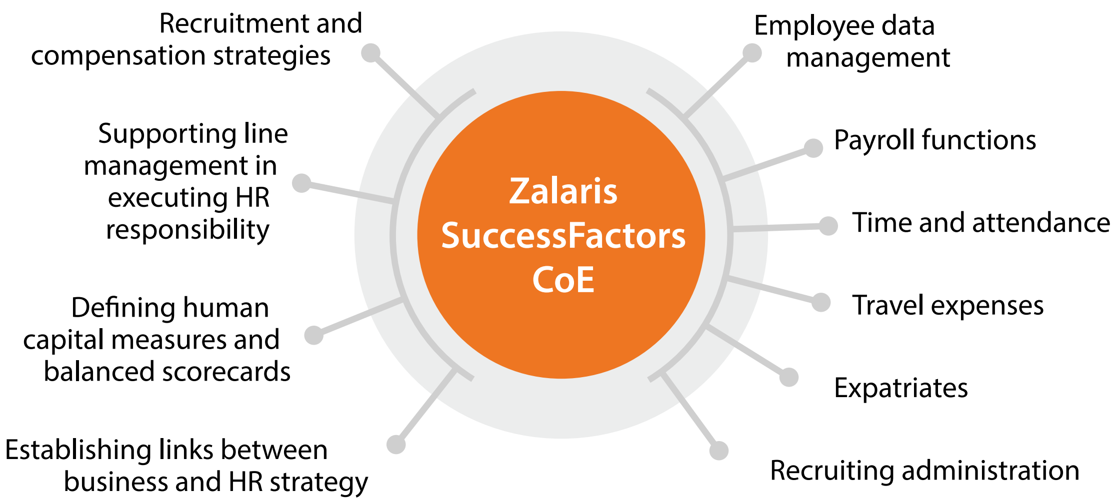
Leading with Leaders

Strong partnerships have always been critical to Zalaris' success. SAP exemplifies this fact since our founding 15 years ago. Our collaboration has gained accolades from the beginning, and we are now advancing at a new level – as a coveted SAP Gold Partner due to our exemplary HR expertise and performance across all countries Zalaris serves.

SAP has recognized and honored Zalaris for many achievements over the years, including more recently because of our HR analytics innovations relative to SAP HANA. This major industry breakthrough enables processing of massive amounts of real-time data with unprecedented speed. It is also among the advantages of the SAP SuccessFactors Center of Excellence (CoE) we established in 2015 with SAP's support, focused on their leading cloud-based HCM Suite.

The Zalaris SuccessFactors CoE is the culmination of numerous best practices and services we have continuously honed in HR outsourcing. Corresponding Zalaris specialists help enterprise leaders fully understand all relevant factors, drivers, solution options and benefits, while literally showing how we harmonize and transform multi-country HR operations. Unique online tools and demonstrations contribute to the hands-on interaction, a hallmark of the new CoE, which spotlights our end-to-end value from both HR and technology standpoints.

Fast-changing business dynamics and regulatory compliance requirements add to the reasons why customers appreciate the CoE concept. We put it all into clear perspective. Whether the client wants a deeper dive into HR business processes, strategic human resource management concerns or SAP SuccessFactors capabilities, it is now all centrally led from a dedicated Zalaris division.



Seeing End-to-End Zalaris Value in Action

The Zalaris SuccessFactors Center of Excellence responds directly to heightened interest in and demand for – secure cloud-based HR solutions. It is an ideal way for us to share insight and guidance on proven methodologies, principles and best practices.

Zalaris SuccessFactors 'Center of Excellence' Gives Cloud Confidence to Enterprise with 32,500 Employees

It is a scenario we expect to play out on a regular basis as enterprises continue to explore cloud-based HR solutions. In this case, the Zalaris customer wanted to better grasp whether cloud would be the right choice for management as well as the workforce of 32,500 employees across nine countries.

Would the short- and longer-term advantages be worth making the cloud switch now? How does implementation occur, and what timeframe should be expected for the industry's leading HCM software? Seeing the value can be difficult without real-world scenarios and actual SAP HANA data processing samples demonstrating how it all works. Thanks to the Q4 2015 launch of the Zalaris SAP SuccessFactors Center of Excellence (CoE), the vision comes to life. Answers are unequivocal. The time for HR cloud is here.

The Zalaris SuccessFactors CoE provides sharp insight and guidance on complex questions pertaining to managing and integrating extensive master data, for example, while ensuring timely self-serve permission-based information access for staff and management. Zalaris applies proven HR methodologies, principles and best practices all the way through to high-volume payroll processing and reporting. Everything relevant to informed decision-making becomes abundantly clear due to the CoE staff and related capabilities – where seeing turns into believing!

SAP Gold Partner

Zalaris became an SAP Gold Partner in 2015 due to strong results and HR/HCM expertise.

Leadership

The Zalaris board and management team represents diverse backgrounds and nationalities to support the ambition of providing customers with multi-country outsourced payroll and Human Capital Management services delivered as Business Process as a Service – BPaaS.

Management Team

Hans-Petter Mellerud
Chief Executive Officer

Halvor Leirvåg
Chief Technology Officer

Nina Stemshaug
Chief Financial Officer

Øyvind Reiten
Vice President
Business Development

Peter Thomas Gogstad
Executive Vice President
HR Business Consulting

Saara Somersalmi
Vice President
Group Human Resource

Otto Lepikkö
Chief Operating Officer

Ismet Muratspahić
Vice President
Cloud Services

Jan Erik Nessmo
Vice President Consulting

Richard E. Schiørn
Vice President
Strategic Projects

Report from the Board of Directors

Lars Henriksen
Chairman of the Board

Liselotte Hägertz Engstam
Board Member

Jan Koivurinta
Board Member

Karl-Christian Agerup
Board Member

Tina Steinsvik Sund
Board Member

Zalaris ASA's mission is to help clients maximize the value of their human capital through excellence in Human Resources processes.

Zalaris delivers a full range of services organized as three Business Units: HR Outsourcing, Cloud Services and Consulting.

The Company's services enable human resource departments at mid-size and large enterprises to focus on strategic processes, while outsourcing transactional HR functions such as payroll and employee data maintenance to Zalaris. At the same time, Zalaris implements cloud-based IT support for its customers' strategic HR processes. Together, these offerings help optimize business execution, with advantages covering the entire employee life cycle, from recruiting and onboarding to goal- and performance management as well as professional development. Zalaris' services utilize web-based solutions from SAP and SuccessFactors.

Zalaris has more than ten years' experience with over 40 large-scale customers and also handles payroll processing for 190'000+ people each month.

The Oslo headquartered company delivers services out of local-language centers with a total of 452 employees covering Denmark, Finland, Norway, Sweden, Latvia, Lithuania, Estonia, Poland and India.

Key Highlights in the Reporting Period

Zalaris continued revenue growth in 2015 while establishing its own service center in India that further supports high value to customers as well as internal cost-reduction plans. The Company also secured new major outsourcing contracts with market leaders such as a leading Fortune 500 company and Norwegian Railways, our first public-sector outsourcing agreement. In addition the Company invested in areas with high-growth potential and strategic advantages.

Those investments relates to growing into new service areas, i.e. talent management with Successfactors offering, and moving into new business models such as mobile application, supporting access anywhere and 100% paper-free travel expense processing organization, and cloud based service offerings. In addition the Company has invested in wide customer service improvements to ensure long term customer satisfaction.

Zalaris launched advanced cloud service offerings, with sizable wins such as the successful migration of a major customer from their existing HCM platform to the Zalaris cloud. In addition, the Company strengthened partnerships with market leaders, particularly SAP, which named Zalaris a Gold Partner and supported creation of the Company's SAP SuccessFactors Center of Excellence.

Consolidated Results

Zalaris' Group turnover in 2015 was NOK 373.7 million, an increase of 14.6% compared to 2014. HR outsourcing, the Group's primary business area, increased 13.0%.

Zalaris' Group 2015 operating profit was NOK 33.8 million or 9.1% of turnover (NOK 31.7 million or 9.7% of turnover in 2014, excluding one-off costs amounting to NOK16.8 million). Zalaris' Group 2015 ordinary profit before tax was NOK 31.4 million (NOK 12.0 million in 2014). Profit for the period in 2015 was NOK 23.3 million (NOK 8.8 million in 2014).

Cash flow in 2015 shows net cash from operating activities of NOK 29.3 million (NOK 37.3 million in 2014). The cash from operating activities was negatively impacted by recognized revenue of an advance payment related to a customer-funded transition project from previous year in which it impacted the cash flow positively. Net cash flow from investing activities was NOK 18.6 million (NOK 14.4 million in 2014). The main investment in 2015 was related to establishing Zalaris' own service center in Chennai, India, including office location and transition of employees from earlier partner of offshore services. Establishing Zalaris' own service center in India also entails to invest in preparing and transitioning work there. In addition, investments covered improvements and new functionality for customer-service activities, such as a payroll control center and rolling out portal enhancements to all customers. Net cash flow from financing activities was NOK 18.4 million in 2015, including a dividend payment of NOK 14.3 million to the owners of the parent company and a dividend payment of NOK 1.3 million to non-controlling interests. Zalaris has solid liquidity with cash and cash equivalent amounting to NOK 67.7 at the end of 2015 (NOK 75.4 million at the end of 2014).

The Board's view is that Zalaris has sufficient cash to internally finance the Group's liabilities, investment needs and operations.

The Group's equity ratio was NOK 103.2 million, equaling 50.6% as of 31.12.2015. The Board and Management expect the equity ratio to remain strong based on further improvements in Group results.

As of 31.12.2015, the Group's current assets exceeded short-term debt by NOK 62.6 million.

Total assets at the end of FY 2015 were NOK 203.9 million (NOK 207.3 million in 2014). The main changes in assets from previous year is within increased intangible assets related to investments described earlier and decreased trade accounts receivables as a consequence of an improved payment collection process. Net costs for implementation projects of new outsourcing contracts increased with NOK 1 million to NOK 26.3 million in 2015.

Total liabilities were NOK 100.7 million at the end of fiscal year 2015 (NOK 114.4 million in 2014). The decrease in liabilities is mainly due to a decrease in other short-term debt as a consequence of reduced advance customer payment from revenues recognized throughout the year.

Parent Company's Results

The financial statements of the parent company, Zalaris ASA, are prepared and presented in accordance with the Norwegian accounting act and generally accepted accounting principles in Norway ("NGAAP").

Zalaris ASA is a holding company offering centralized management group services to its subsidiaries such as IT, accounting and controlling, HR and marketing. The parent company is invoicing its subsidiaries for some of its management services.

For Zalaris ASA, the 2015 turnover was NOK 85.6 million, which is an increase of 21.3% compared to 2014. Result from operations in 2015 was NOK -30.3 million (NOK -42.4 million in 2014). Zalaris ASA reported a net income of NOK 15.6 million for 2015, compared to a net loss of NOK 0.6 million in 2014.

Total shareholders' equity in Zalaris ASA as of 31 December 2015 was NOK 67.4 million, corresponding to 46.5% of total assets. Share premium and other equity as of 31 December, 2015, amounted to NOK 37.0 million and NOK 28.4 million, respectively.

The Board proposes to allocate the net income of NOK 15.6 million to other equity.

Dividend Payment

According to Zalaris' dividend policy and the solid cash and equity position of the Group at the end of fiscal 2015, the Board proposes to pay a dividend to shareholders from the share premium in the total amount of NOK 16,176,616, equaling a dividend payment of NOK 0.85 per share for 2015.

Continuing Operation

With reference to the Norwegian Accounting Act § 3-3, the Board confirms its belief that conditions exist for continuing operations and that these Financial Statements have been prepared in accordance with the going concern principle. The confirmation is based on an estimated long-term profitable growth and the Company's solid cash and equity standing.

Segment Information

Zalaris is reporting in three business segments: HR Outsourcing, Consulting and Cloud Services.

HR Outsourcing

Revenue from the HR Outsourcing unit represents 93.4% of the total revenue of the Company. The revenue for 2015 amounted to NOK 349.1 million, an increase of 13.0% compared to previous year. 2015 operating profit was NOK 27.6 million (7.9% of turnover), an increase from NOK 24.2 million (7.8% of turnover) in 2014.

Consulting

The revenue for 2015 amounted to NOK 14.5 million, an increase compared to previous year as a result of increased demand of innovation services in HR. 2015 operating profit was NOK 4.6 million or 31.8% of turnover (NOK 1.3 million in 2014).

Cloud Services

The revenue for 2015 amounted to NOK 10.2 million, an increase of 53.5% from previous year's revenue of NOK 6.6 million. 2015 operating profit was NOK 1.6 million, equal to 15.9% of turnover (NOK 1.4 million or 20.9% of turnover in 2014).

Financial- and Market Risks

The Group is exposed to various risks and uncertainties of operational, market and financial character. Internal controls and risk management are an integrated part of all Zalaris organizational business processes to achieve the Company's strategic and financial objectives.

Zalaris' client portfolio consists mainly of large financially stable companies with high credit ratings, and, therefore, the Company has no significant credit risk. The Group invoices customers on a monthly basis and continuously monitors incoming payments.

Liquidity risk is the risk that the Group will be unable to meet their financial liabilities as they mature. The Company continuously estimates the need of cash to pay its liabilities as they mature and ensures that cash is available at all times, both for operational and capitalized expenditures.

At the end of the period, the Group had interest-bearing debt amounting to NOK 2.1 million with fixed interest rates. The cash and cash equivalents amounted to NOK 67.7 million and an unused credit facility of NOK 15 million.

The Group provides services in countries with different currencies and is consequently exposed to currency fluctuations in these nations. The Group also has variable interest rate borrowings and is subject to corresponding interest rate fluctuations. The Group settles internal transactions on an ongoing basis in order to reduce the risk associated with movement in currencies and interest rates.

Zalaris has taken a number of measures to address the threats related to cyber-security. This is a key focus area that will be continuosly monitored, addressed and strengthened to address the threats related to our industry.

Despite the Group's focus on reducing risks through internal controls and risk management, there will still be risk factors that cannot be adequately handled through preventative measures. The Company therefore seeks, as much as possible, to cover these types of risks through the purchase of insurances.

The Organization

Zalaris Group had 452 employees at the end of 2015, of which 310 were employed outside of Norway. The workplace environment is positive with motivated employees working together towards common goals. During the fiscal year 2015 Zalaris has focused on talent management and leadership training to ensure the right competencies within key roles. Absence due to sick leave averaged 3.8% in 2015. Zalaris ASA averaged 1.2% absence rate due to sick leave in 2015.

No incidents of injury or accidents in the workplace were reported during 2015.
Women are well represented in all of the Group's companies and units, comprising 71% of the workforce. The Group's leadership, including managers

for all of the separate business units, consists of 24 persons of which nine, or 37.5%, are female.

Corporate Social responsibility

Equal Rights
Zalaris shall be a professional workplace with an inclusive working environment and respect the International Labor Organization's fundamental conventions.

Zalaris aims to be a workplace free from discrimination. No direct or indirect negative discrimination shall take place based on race, color, gender, sexual orientation, age, disability, language, religion, employee representation, political or other opinions, national or social origin, property, birth or other status.

Zalaris' personnel policy is based on equal pay for the same work. This means that women and men receive the same pay for the same position, given all other applicable circumstances are the same. Zalaris ASA will continue to strive for gender balance in the Group's management and board of directors.

Zalaris aims to provide the physical environment necessary to not exclude the participation of persons with physical disability from performing the Company's various functions.

Life Work Balance and Healthy Lifestyle
Zalaris strives to make it possible for employees of either gender to combine their work and private life, and, therefore, offers leave arrangements, home office solutions and part-time positions and other flexible work arrangements to support this objective.

The Company organizes programs to motivate its employees to stay physically active while ensuring the availability of healthy food, such as fresh salads, in our canteens.

Zalaris' secure centralized IT infrastructure – powered with green renewable hydro-power based energy – enables the Company to rapidly establish cost-effective service centers independent of end-customer locations.

Health, Safety and Environment (HSE) Policy
The long-term business success of Zalaris depends on our ability to live our values of "Service Excellence, Quality-Focused Processes and Employees – our key assets". The Company wants to continually improve the quality of its services while contributing to a positive working environment for its people.

Zalaris requires the active commitment to and accountability for Health and Safety from all employees and contractors. Line management has a leadership role in the communication and implementation of, and ensuring compliance with, these policies and standards.

We are committed to:

- Protect and strive for improvement of health, safety and security of our people at all times with the goal to eliminate HS-related accidents;
- Set HS performance objectives, measure results, assess and continually improve processes, services and product quality through the use of an effective management system;
- Work with management, employees and employee representatives to create a positive physical and psychological work environment that maximizes the motivation and teamwork for all impacted people;
- Plan for, respond to and recover from any emergency, crisis and business disruption;
- Develop services that can help our customers monitor and act upon HS issues;
- Communicate openly with stakeholders and ensure an understanding of our HS policies, standards, programs and performance.

Environment
Pollution of the external environment as a result of Zalaris' operations is limited. Zalaris' environmental impact is primarily linked to energy consumption, travel and waste from office activities. One of Zalaris' environmental measures is to centralize all IT Operations in a centralized infrastructure concept hosted in energy-efficient data centers powered by green renewable hydro-powered energy.

Zalaris has limited paper consumption through the introduction of web- and mobile-based solutions for customers for viewing of pay slips and reports, thus reducing paper printing. At the same time, Zalaris has implemented printer systems where documents are not printed unless the user logs in to pick up the printed document.

The Group's environmental initiatives focus on using organized recycling schemes for obsolete IT equipment, reducing travel activities through the increased use of teleconferencing and web meetings such as Lync, and responsible waste management.

All employees have a mandatory obligation to consciously observe the environmental impact of work-related activities, and to select solutions, products and methods that minimize environmental impact. This is described in our Code of Conduct.

Business Ethics
Zalaris' Code of Conduct is an integral part of the Zalaris' formal governance. The Code defines the core principles and ethical standards that form the basis to how the Company creates value. The Code applies to Zalaris ASA and any subsidiary in which Zalaris, directly or indirectly, owns more than 50% of the voting shares. It also applies to members of the Board of Directors, managers and other employees, as well as those acting on behalf of the Company.

The Code of Conduct does not apply directly to the Company's business partners. However, Zalaris does not want to be associated with business partners that do not have appropriate ethical standards. Everybody associated with Zalaris shall comply with the rules and guidelines. Although failure to perform can be excused, we can never compromise on our integrity. This is the way we shall conduct business in Zalaris – and the way we shall create value for our customers, investors, staff and anyone benefiting from the services we provide.

Corporate Governance
Zalaris' corporate governance policy is based on, and complies with, the Norwegian Corporate Governance Code.

Zalaris ASA is incorporated and registered in Norway and is subject to Norwegian law. According to the Accounting Act § 3-3b, the Company is obliged to report on the principles and practices of corporate governance. In addition, the Oslo Stock Exchange requires an annual statement on compliance with the Company's corporate governance policy in accordance with NUES the Norwegian Code of Practice for Corporate Governance (Norwegian: "Norsk anbefaling for eierstyring og selskapsledelse"), issued by the Norwegian Corporate Governance Board, most recently revised on 30 October 2014.

The statement for fiscal year 2015 is based on the disposal in the Accounting Act § 3-3b as well as the disposal for Corporate Governance Policy for Zalaris ASA, and was adopted by the Board of Directors on 19 April 2016, and is available on page 84 in this annual report.

Events after the Reporting Period
According to Zalaris executive remuneration policy approved by the board of directors on 22 April 2015, an employee share purchase program including matching of restricted stock units, has been implemented in April 2016 after approval of the board of the directors on the 9 March 2016. Further details about the program are available in Zalaris executive remuneration policy on page 92 in this annual report approved by the board of directors on the 19 April 2016.

There have been no additional events after the balance sheet date significantly affecting the Group's financial position.

Future Outlook

As a result of our market success Zalaris has gained increased analyst visibility. This combined with a strenthened sales organization, innovative product development and satisfied customers, gives confidence that the growth journey will continue. Leading analysts such as Everest Group, Nelson Hall and HfS position Zalaris as one of the leading regional providers of outsourced HR and payroll services – now also commonly referred to as Business Process as a Service (BPaaS).

Zalaris' business is typically characterized by a modest number of relatively large contract wins each year. Thus the growth rate is likely to fluctuate from quarter to quarter.

Zalaris continues to invest in strengthening our product and services portfolio allowing us to provide an increasingly comprehensive range of Human Capital Management-related services. Our focus is on satisfying customer needs and reducing costs – fortifying our long-term success in target markets.

The ability to build strong, long-term relationships often yields new industry prospects – a reality that is instrumental to our ongoing success. Zalaris is committed to personnel development and enhancing services to further differentiate our brand. Our core values – Service excellence, Quality-focused processes and Employee Satisfaction – remain the heart of our business.

Many factors contribute to our optimistic outlook in continuously generating value for Zalaris' customers, shareholders, employees and other stakeholders. This view is reinforced by the combination of positive market developments and our capability to advance solutions and services while reducing costs through scale, automation and resource optimization.

Oslo, April 19, 2016

Lars Laier Henriksen
Chairman of the Board

Karl-Christian Agerup
Member of the Board

Liselotte Hägertz Engstam
Member of the Board

Jan Mikael Koivurinta
Member of the Board

Tina Steinsvik Sund
Member of the Board

Statement of Responsibility

Statement by the Board of Directors and the CEO

We hereby confirm that the consolidated financial statements and the financial statements for the parent company for the period 1 January 2015 to 31 December 2015, to the best of our knowledge, have been prepared in accordance with applicable accounting standards and that the information in the financial statements provides a true and fair view of the Group's and the parent company's assets, liabilities, financial position, and results as a whole.

We also hereby declare that the annual report provides a true and fair view of the financial performance and position of the Group and the parent company, as well as a description of the principal risks and uncertainties facing the Group and the parent company.

Oslo, 19. April 2016

Lars Laier Henriksen Chairman of the Board	**Karl-Christian Agerup** Board Member	**Liselotte Hägertz Engstam** Board Member
Jan Mikael Koivurinta Board Member	**Tina Steinsvik Sund** Board Member	**Hans-Petter Mellerud** Chief Executive Officer

Consolidated Group
Annual Accounts Report 2015
Zalaris ASA

The consolidated group annual accounts report for Zalaris ASA contains the following documents:

- Consolidated Statement of Profit and Loss
- Consolidated Statement of Comprehensive Income
- Consolidated Statement of Financial Position
- Consolidated Statement of Cash Flows
- Consolidated Statement of Changes in Equity
- Consolidated Notes to the Financial Statements

The consolidated financial statements, which have been drawn up by the Board and management, should be read in relation to the Annual Report and the independent auditor's opinion.

Consolidated statement of profit or loss
for the year ended 31 December

(NOK 1000)	Note	2015	2014
Revenue	**2**	**373,719**	**326,145**
Operating expenses			
License costs		22,785	13,031
Personnel expenses	3	208,140	184,920
Other operating expenses	4	77,390	72,111
Depreciations and impairments	9	1,066	5,586
Amortization intangible assets	8	7,606	6,652
Amortization implementation costs customer projects	11	22,903	17,037
IPO related costs		-	11,948
Total operating expenses		**339,890**	**311,284**
Operating profit		**33,829**	**14,861**
Financial items			
Financial income	5	1,801	708
Finance expense	5	(4,277)	(3,546)
Net financial items		**(2,476)**	**(2,838)**
Ordinary profit before tax		**31,353**	**12,023**
Income tax expense			
Tax expense on ordinary profit	6	8,058	3,230
Total tax expense		**8,058**	**3,230**
Profit for the period		**23,295**	**8,793**
Profit attributable to:			
- Owners of the parent		21,161	7,312
- Non-controlling interests		2,134	1,481
Earnings per share:			
- Basic and Diluted	7	0.11%	0.04%
- NOK	7	1.11	0.38

Consolidated statement of comprehensive income
for the year ended 31 December

(NOK 1000)	Note	2015	2014
Profit for the period		23,295	8,793
Other comprehensive income			
Items that will be reclassified to profit and loss in subsequent periods			
Currency translation differences		2,644	(377)
Total other comprehensive income		2,644	(377)
Total comprehensive income		**25,938**	**8,416**
Total comprehensive income attributable to:			
- Owners of the parent		23,804	6,935
- Non-controlling interests		2,134	1,481

Consolidated statement of financial position
for the year ended 31 December

(NOK 1000)	Note	2015	2014
ASSETS			
Non-current assets			
Intangible assets			
Other intangible assets	8	36,230	29,624
Total intangible assets		**36,230**	**29,624**
Deferred tax asset	6	3,110	6,041
Fixed assets			
Office equipment	9	738	224
Property, plant and equipment	9	4,990	2,083
Total fixed assets		**5,727**	**2,308**
Total non-current assets		**45,067**	**37,973**
Current assets			
Trade accounts receivable	10	59,318	64,306
Customer projects	11	26,323	25,317
Other short-term receivables	12	5,439	4,346
Cash and cash equivalents	13	67,740	75,354
Total current assets		**158,820**	**169,324**
TOTAL ASSETS		**203,887**	**207,297**

Consolidated statement of financial position
for the year ended 31 December

(NOK 1000)	Note	2015	2014
EQUITY AND LIABILITIES			
Equity			
Paid-in capital			
Share capital	14	1,912	1,912
Own shares - nominal value		(6)	(6)
Share premium		53,224	67,498
Total paid-in capital		**55,131**	**69,404**
Retained earnings		43,436	19,753
Equity attributable to equity holders of the parent		**98,567**	**89,157**
Non-controlling interests		4,601	3,730
Total equity		**103,168**	**92,887**
Liabilities			
Non-current liabilities			
Deferred tax	6	2,349	1,531
Interest-bearing loans and borrowings	15	2,125	2,471
Employee defined benefit liabilities		34	28
Total long-term debt		**4,508**	**4,031**
Current liabilities			
Trade accounts payable		14,582	12,493
Income tax payable		4,401	3,399
Public duties payable		25,221	24,546
Other short-term debt	17	52,007	69,941
Total short-term debt		**96,211**	**110,379**
Total liabilities		**100,719**	**114,410**
TOTAL EQUITY AND LIABILITIES		**203,887**	**207,297**

Oslo, April 19, 2016

Lars Laier Henriksen
Chairman of the Board

Karl-Christian Agerup
Board Member

Liselotte Hägertz Engstam
Board Member

Jan Mikael Koivurinta
Board Member

Tina S Sund

Tina Steinsvik Sund
Board Member

Consolidated statement of cash flows
for the year ended 31 December

(NOK 1000)	Note	2015	2014
Cash flow from operating activities			
Operating profit		33,829	14,861
Depreciation and impairments	9	1,066	5,586
Amortization intangible assets	8	7,606	6,652
Amortization implementation costs customer projects	11	22,903	17,037
Customer projects	11	(23,909)	(23,518)
Taxes paid	6	(4,125)	(3,633)
Changes in accounts receivable and accounts payable	10.17	7,078	(8,811)
Changes in other accruals	17	(15,157)	29,143
Net cash flow from operating activities		**29,291**	**37,318**
Cash flows from investing activities			
Purchase of fixed and intangible assets	8.9	(18,547)	(14,411)
Net cash flow from investing activities		**(18,547)**	**(14,411)**
Cash flows from financing activities			
Net financial items	5	(2,476)	(2,838)
Purchase of own shares	14		
Issuance of new shares		-	49,274
IPO related costs		-	(3,464)
Proceeds from issue of new borrowings	15	550	2,880
Repayments of borrowings	18	(896)	(3,033)
Changes in factoring deposits	18		
Dividend payments to owners of the parent	14	(14,273)	
Dividend payments to non-controlling interest	14	(1,263)	(1,172)
Net cash flow from financing activities		**(18,358)**	**41,647**
Net changes in cash and cash equivalents		(7,614)	64,553
Cash and cash equivalents at the beginning of the period		**75,354**	**10,802**
Cash and cash equivalents at the end of the period		**67,740**	**75,354**
Unused credit facilities		15,000	15,000

Consolidated statement of changes in equity
for the year ended 31 December

	Share capital	Own shares	Share premium	Total paid-in equity	Cumulative translation differences	Other equity	Non-controlling interests	Total equity
Equity at 01.01.2015	**1,912**	**(6)**	**67,498**	**69,404**	**(792)**	**20,545**	**3,730**	**92,887**
Profit of the year				-		21,161	2,134	23,295
Other comprehensive income				-	2,644			2,644
Other changes				-		(121)		(121)
Purchase/sale of own shares (net)				-				-
Dividend			(14,273)	(14,273)			(1,263)	(15,537)
Equity at 31.12.2015	**1,912**	**(6)**	**53,224**	**55,131**	**1,852**	**41,585**	**4,601**	**103,168**
Equity at 01.01.2014	**339**	**(6)**	**18,442**	**18,774**	**(414)**	**18,536**	**3,421**	**40,317**
Profit of the year				-		7,312	1,481	8,793
Other comprehensive income				-	(377)			(377)
Other changes				-		(484)		(484)
Transaction costs related to IPO				-		(3,464)		(3,464)
Issue of new shares (20.06.2014)	217		49,057	49,274				49,274
Issue of new shares (13.05.2014)	1,356			1,356		(1,356)		-
Purchase/sale of own shares (net)				-				-
Dividend							(1,172)	(1,172)
Equity at 31.12.2014	**1,912**	**(6)**	**67,498**	**69,404**	**(792)**	**20,545**	**3,730**	**92,887**

Note 1 - Accounting principles and basis for preparation

Zalaris ASA is a limited company incorporated in Norway. The Group's main office is located in Hovfaret 4, Oslo, Norway. The Group delivers full-service outsourced personnel and payroll services.

The Group financial statements of Zalaris ASA for the period ending on 31 December 2015 were approved in a board meeting on 19.04. 2016.

1.1 The basis for the preparation of the financial statements

The Group's financial statements of Zalaris ASA for the accounting year 2015 have been prepared in accordance with international accounting standards and interpretations as adopted by the EU ("IFRS"), applied by Zalaris from accounting year 2014.

The financial statements are based on the principles of historic cost. The group currently holds no assets or liabilities required to be measured at fair value.

1.2 Accounting principles

Basis of consolidation
The consolidated financial statements comprise the financial statements of Zalaris ASA and its subsidiaries (together referred to as "the Group"). Subsidiaries are all entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed during the year are included in the consolidated financial statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intercompany balances and transactions have been eliminated upon consolidation.

The acquisition of a subsidiary is considered on a case by case basis to determine whether the acquisition should be deemed as a business combination or as an asset acquisition.

Business combinations are accounted for using the acquisition method of accounting. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Transaction costs are expensed as incurred. The excess of the consideration transferred over the fair value of the identifiable net assets of the subsidiary acquired is recorded as goodwill. When acquisitions are deemed as asset acquisitions no deferred tax on initial differences between carrying values and tax bases are recorded, nor are any goodwill recorded at the date of acquisition.

Foreign currency
Functional currency, presentation currency and consolidation: The Group's presentation currency is NOK. The functional currency of the Parent Company is NOK. For consolidation purposes, the balance sheet figures for subsidiaries with a different functional currency than NOK are translated into the presentation currency (NOK) at the rate applicable at the balance sheet date. Income statements are translated at the exchange rate that approximates the prevailing rate at the date of transaction. Exchange differences from translating subsidiaries are recognised in other comprehensive income.

Transactions in foreign currency: Foreign currency transactions are translated into the functional currency using the exchange rates at the transaction date. Monetary balances in foreign currencies are translated into the functional currency at the exchange rates on the date of the balance sheet. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Revenue recognition
The Group's revenue consists of revenue from providing services, consulting services related to customer specific adaptions for new customers and basic consulting services. Revenue is in general recognised when it is probable that transactions will generate future financial benefits for the Group and the size of the amount can be reliably estimated. Sales revenue is presented net of value added tax and potential discounts.

The service revenue and the revenue from basic consulting services are recognized according to the rendering of the service. Small projects and change orders beyond the terms of the main contract with the customer service delivery are recognized according to the rendering of the services.

Revenues from outsourcing agreements are recognized over the term of the contract as the services are rendered. When the services are made up of different components which are not separately identifiable, the related revenues are recognized on a straight-line basis over the term of the contract. The related costs are recognized as they are incurred. However, a portion of costs incurred in the initial phase of outsourcing contracts (transition and/or transformation costs) may be deferred when they are specific to a given contract, relate to future activity on the contract and/ or will generate future economic benefits, and are recoverable. These costs are allocated to work-in-progress and prepaid revenue by the client is recorded as a deduction from the costs incurred. The deferred costs are expensed evenly over the period the outsourcing services are provided and are presented in the income statement in the line item "amortization implementation costs customer projects".

Income tax
Income tax expense for the period comprises current tax expense and deferred tax expense.
Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity. Items of the other comprehensive income presented net of related tax effects in the Statement of Other Comprehensive Income.

Deferred tax assets and liabilities are calculated on the basis of existing temporary differences between the carrying amounts of assets and liabilities in the financial statement and their tax bases, together with tax losses carried forward at the balance sheet date. Deferred tax assets and liabilities are calculated based on the tax rates and tax legislation that are expected to apply when the assets are realized or the liabilities are settled, based on the tax rates and tax legislation that have been enacted or substantially enacted on the balance sheet date. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

The companies included in the consolidated financial statement are subject to income tax in the countries where they are domiciled.

Intangible assets: Internally developed software
Costs related to internally developed software are capitalized to the extent that a future economic benefit associated with the development of identifiable intangible assets and costs can be reliably measured. Otherwise, the costs are expensed as incurred. Capitalized development is amortized over their useful lives. Research costs are expensed as incurred.

Fixed assets
Fixed assets are valued at cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the gross carrying amount and depreciation are derecognized, and any gain or loss on the sale or disposal is recognized in the income statement.

The gross carrying amount of fixed assets is the purchase price, including duties/taxes and direct acquisition costs related to making the fixed asset ready for use.

The depreciation periods and methods are assessed each year. The residual value is estimated every year-end and changes in the estimate for residual value is accounted for as an estimation change. The residual value of the Groups fixed assets is estimated to be nil.

Leases (as lessee)

Financial leases
Leases where the group assumes most of the risk and rewards of ownership are classified as financial leases. Financial leasing contracts are recognized on the balance sheet and depreciated on a linear basis over the expected useful life of the assets. The leasing debt is classified as a long term debt and the leasing debt is reduced by the payments according to the leasing contract deducted by an interest element which is expensed.

Operating leases
Leases in which most of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Trade and other receivables
Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Contract related accruals
Revenues and expenses related to service delivery and which are incurred in advance of the contract's validity period, are accrued and income and expenses are recognised over the contract period. Such deferred expense is included in the line item amortisation implementation cost customers. Net assets / liabilities are classified as customer projects / other liabilities.

Cash and cash equivalents
Cash and the equivalents include cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

Borrowings
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Pension plans

Defined contribution plan;
The Group has only defined contributions plans. Contributions are paid to pension insurance plans and charged to the income statement in the corresponding period. Once the contributions have been paid, there are no further payment obligations.

Earnings per share
The calculation of basic earnings per share is based on the profit attributable to ordinary shares using the weighted average number of ordinary shares outstanding during the year after deduction of the average number of treasury shares held over the period.

The calculation of diluted earnings per share is consistent with the calculation of the basic earnings per share, but gives at the same time effect to all dilutive potential ordinary shares that were outstanding during the period, by adjusting the profit/loss and the weighted average number of shares outstanding for the effects of all dilutive potential shares, i.e.:

- The profit/loss for the period attributable to ordinary shares is adjusted for changes in profit/loss that would result from the conversion of the dilutive potential ordinary shares.
- The weighted average number of ordinary shares is increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary.

Equity reserves – currency translation differences
Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currency to the Group's presentation currency is recognized directly in other comprehensive income.

Cost of equity transactions
Transaction costs directly attributable to an equity transaction are recognized directly in equity, net after deducting tax.

Contingent assets
Contingent assets are not recognized in the annual accounts but are disclosed if there is a probable that a benefit will be added to the Group.

Events after the balance sheet date
New information on the Group's position at the balance sheet date is taken into account in the financial statements. Events after the balance sheet date that do not affect the Group's position at the balance sheet date, but will affect the Group's position in the future, are stated if significant.

1.3 New and amended standards and interpretations

Standards issued and effective
These new standards did not have significant impact on the financial statements for the Group.

IAS 1 Presentation of Financial Statements;
The amendments to IAS 1, issued as part of IASBs Disclosure Initiative, further encourage companies to apply professional judgment in determining what information to disclose and how to structure it in their financial statements.

The amendments are effective for accounting periods beginning on or after 1 January 2016.

IAS 27 Separate Financial Statements: Equity Method in Separate Financial Statements
The objective of these amendments is to restore the option (which was removed in 2003) to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. Therefore, an entity must account for these investments either 1) at cost, 2) in accordance with IFRS 9 (or IAS 39) or 3) using the equity method.
The entity must apply the same accounting for each category of investments.

Standards issued but not yet effective
Standards, amendments and interpretations to existing standards that are not yet effective and for which early adoption has not been applied by the Group, are listed below.

IFRS 9 Financial Instruments;
IFRS 9 Financial Instruments will eventually replace IAS 39 Financial Instruments: Recognition and Measurement. In order to expedite the replacement of IAS 39, the IASB divided the project into phases: classification and measurement, hedge accounting and impairment. New principles for impairment were published in July 2014 and the standard is now completed. The parts of IAS 39 that have not been amended as part of this project have been transferred into IFRS 9.
The Standard is expected to be adopted by the EU in H2 2016. For entities outside the EU/EEA with a statutory obligation to keep accounts, the Standard will be effective for accounting periods beginning on or after 1 January 2018.

IFRS 15 Revenue from Contracts with Customers;
The IASB and the FASB have issued their joint revenue recognition standard, IFRS 15. The standard replaces existing IFRS and US GAAP revenue requirements. The core principle of IFRS 15 is that revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard applies to all revenue contracts and provides a model for the recognition and measurement of sales of some non-financial assets (e.g., disposals of property, plant and equipment).
The Standard is expected to be approved by the EU in Q2 2016. For entities outside the EU/EEA with a statutory obligation to keep accounts, the Standard will be effective for accounting periods beginning on or after 1 January 2018.

IFRS 16 Leases;
IFRS 16 Leases replaces existing IFRS leases requirements, IAS 17. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new leases standard requires lessees to recognize assets and liabilities for most leases, which is a significant change from current requirements. For lessor, IFRS 16 substantially carries forward the accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The standard is effective for accounting periods beginning on or after 1 January 2019 for entities outside the EU/EEA, but is not yet adopted by the EU.

IAS 7 – Statement of Cash Flows: Disclosure Initiative (Amendments to IAS 7);
The amendments introduces requirements for an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Except for the amendments to IAS 7, it is assessed that none of the above mentioned standards, amendments and interpretation to existing standards will have material impact on the financial statement as it currently is presented.

The amendments to IAS 7 will impact both Zalaris' consolidated statement of profit or loss and consolidated statement of financial position, as the Company has ongoing operating leases which are not recognized as assets and liabilities. A further assessment will be done when the effective date in EU is determined.

1.4 Key sources of estimation uncertainty and critical accounting judgments

The preparation of the financial statements in accordance with IFRS requires management to make judgements, use estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are considered to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. The management does not assess that there is any specific areas for which there has been much estimation uncertainty.

Critical accounting judgements
a) Capitalisation of intangible assets
Development costs of software have been capitalized as intangible assets to the extent it is assessed that future benefits can be substantiated. Judgment has to be applied in determining which amount of expenses that can be capitalized.

At the end of a reporting period the Group is required to assess whether there is any indication that the capitalized assets may be impaired. If such indications exist, the Group must test if carrying amounts exceed its recoverable amount (higher of fair value less cost to sell and its value in use.) Determining recoverable amount requires that the management makes several assumptions related to future cash flows from these assets which may involve high degree of uncertainty. As at 31 December, no indication of impairment was identified.

Note 2 - Segment information

The Company has three operating segments, which is Outsourcing, Cloud Services and Consulting.

Outsourcing offers a full range of payroll and HR outsourcing services including payroll, time and attendance and travel expenses.

Consulting delivers turnkey projects based on Zalaris template or implementation of customer- specific functionality. They also assist customers with cost-effective maintenance and support of csutomers own on-premise solution.

The Cloud services unit is offering additional cloud based HR functionality to existing outsourcing customers as talent management, digital personnel archive, HR analytics, mobile solutions etc., and was divided into an own reporting segment from 2014.

Information is organized by business area and geography. The reporting format is based on the Group's management and internal reporting structure. Items that are not allocated are mainly intercompany sales, interest-bearing loans and other associated expenses and assets related to administration of the Group. The Group key management is the chief decision maker in the Group. The investing activities comprise total expenses in the period for the acquisition of assets that have an expected useful life of more than one year.

Assets and liabilities are not allocated to segments.

2015

(NOK 1.000)	Outsourcing	Cloud	Consulting	Non-allocated	Total
Other operating income, external	349,076	10,160	14,484		373,720
Other operating expenses	(290,133)	(8,479)	(9,703)		(308,315)
Depreciation and amortisation	(31,332)	(70)	(173)		(31,575)
IPO related costs					-
Operating profit/(loss)	**27,610**	**1,610**	**4,608**	**-**	**33,829**
Net financial income/(expenses)				(2,476)	(2,476)
Income tax				(8,058)	(8,058)
Profit for the period	**27,610**	**1,610**	**4,608**	**(10,534)**	**23,295**
Cash flow from investing activities				(18,547)	(18,547)

2014

(NOK 1.000)	Outsourcing	Cloud	Consulting	Non-allocated	Total
Other operating income, external	308,843	6,617	10,685		326,145
Other operating expenses	(255,542)	(5,199)	(9,321)		(270,062)
Depreciation and amortization	(29,145)	(33)	(98)		(29,275)
IPO related costs				(11,948)	(11,948)
Operating profit/(loss)	**24,156**	**1,386**	**1,266**	**(11,948)**	**14,861**
Net financial income/(expenses)				(2,838)	(2,838)
Income tax				(3,230)	(3,230)
Profit for the period	**24,156**	**1,386**	**1,266**	**(18,016)**	**8,793**
Cash flow from investing activities				(14,411)	(14,411)

Non-allocated costs includes general administrative costs including group management, business development, marketing, finance and controlling and certain group centralized IT costs.

Geographic information
The Group's operations are carried in several countries, and information regarding revenue based on geography is provided below.

Information is based on location of the entity generating the revenue, which to a large extent correspond to the geographical location of the customers.

Information about geographical allocation of revenue

Revenue from external customers attributable to:

(NOK 1000)	as % of total	2015	as % of total	2014
Norway	47%	177,467	46%	151,480
Sweden	22%	83,694	20%	64,923
Denmark	16%	59,108	19%	60,598
Finland	12%	44,784	14%	44,610
Other	2%	8,669	1%	4,534
Total	**100%**	**373,720**	**100%**	**326,145**

Information about major customers

(NOK 1000)	as % of total	2015	as % of total	2014
5 largest customer	50%	186,884	47%	153,930
10 largest customer	68%	253,635	65%	212,002
20 largest customer	83%	308,500	80%	260,308

1 of our customers are representing more than 10% of total revenue each.

Note 3 - Personnel expenses

(NOK 1000)	2015	2014
Salary	188,177	171,538
Bonus	4,833	4,683
Social security tax	26,578	22,838
Pension costs (see note 16)	18,375	15,795
Other expenses	8,783	7,855
Capitalised development expenses	(8,079)	(5,963)
Capitalised implementation costs customer projects	(30,527)	(31,827)
Total salary expenses	**208,140**	**184,920**

Average number of employees:	2015	2014
Administration, sales and management	44	36
Other employees	374	352
Total	**418**	**388**

Average FTEs:	2015	2014
Administration, sales and management	43	35
Other employees	345	324
Total	**388**	**359**

See note 19 for transactions with related parties.

Note 4 - Other operating expenses

(NOK 1000)	2015	2014
External services	22,087	18,472
IT services and telecom	26,346	27,008
Office premises	13,300	11,002
Travel and transport	5,062	5,313
Postage and freight	3,515	3,658
Other expenses	7,080	6,658
Total other operating expenses	**77,390**	**72,111**

Auditors fee

(NOK 1000)	2015	2014
Audit fee	1,525	1,192
Other attestation services	49	100
Fee for tax services	145	111
Other fees	1,525	1,988
Total, excl VAT	**3,245**	**3,391**

Other fees in the table above include TNOK 1.322 (TNOK 1.410) relating to ISEA 3402 attestations.

Note 5 - Finance income and finance expenses

(NOK 1000)	2015	2014
Interest income on bank accounts and receivables	157	189
Currency gain	1,642	419
Other financial income	3	101
Finance income	**1,801**	**708**
Interest expense on financial liabilities measured at amortised cost	1,393	1,060
Currency loss	1,836	1,672
Other financial expenses	1,048	815
Finance expenses	**4,277**	**3,546**
Net financial items	**(2,476)**	**(2,838)**

Note 6 - Income Taxes

(NOK 1000)	2015	2014
Tax payable	4,401	3,399
Changes in deferred taxes	3,657	(169)
Tax expense	**8,058**	**3,230**

Tax payable in balance sheet:

(NOK 1000)	2015	2014
Calculated tax payable	4,401	3,399
Total income tax payable	**4,401**	**3,399**
Income tax payable:		
Reconciliation of effective tax rate		
Ordinary profit before tax	31,353	12,023
Calculated tax 27 %	8,465	3,246
Not tax deductible costs	(65)	
Non taxable income		(23)
Effect of change in deferred taxes	(342)	
Other permanent differences		8
Tax expense	**8,058**	**3,230**
Effective tax rate	**25.7 %**	**26.9 %**

Specification of tax effects of temporary differences:

(NOK 1000)	2015	2014
Property, plant and equipment	1,060	3,386
Other differences	10,677	6,931
Tax losses carry forward	(15,917)	(28,855)
Total temporary differences	**(4,181)**	**(18,538)**
Total deferred tax assets	3,110	6,041
Total deferred tax	2,349	1,531
Net recognized deferred tax/ deferred tax asset (-) 22 % / 28 %	**761**	**4,510**

The Group offsets tax assets and liabilities, if and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Group has tax losses which arose in Norway that are available indefinitely within the group taxation regulations for offsetting against future taxable profits of the companies operating in Norway. Based on an assessment of future profitability of the entities the deferred tax asset related to these, tax losses has been recognized, TNOK 279. The Group has further tax losses which arose in Denmark, TNOK 1,890, and in Finland, TNOK 2,878, which are available within 3-5 years against future taxable profits in each company. Based on an assessment of future profitability of the entities the deferred tax asset related to these tax losses has been recognized.

Note 7 - Earnings per share

Basic earnings per share

The calculation of basic earnings per share is based on the net income attributable to the shareholders of the parent company and a weighted average number of shares outstanding during the years ending 31 December 2015 and 2014 respectively. Shares issued during the periods are included in the calculations of weighted average number of shares from the issuance date approved by the general meeting. There are no diluting equity instruments outstanding.

(NOK 1000)	2015	2014
Net profit/(loss) attributable to ordinary equity holders of the parent	21,161	7,312
Weighted average number of shares	19,031,313	19,031,313
Basic and diluted earnings per share	**0.11%**	**0.04%**
Earnings per share (NOK)	**1.11**	**0.38**

Note 8 - Other intangible assets

(NOK 1000)	Licenses and software	Internally developed software	Internally developed software under construction	Total
Acquisition cost				
Accumulated 1 January 2014	30,850	28,753	6,068	65,671
Additions of the year	4,591	10,689	8,994	24,275
Disposals of the year	-	-	(10,689)	(10,689)
Currency effects	243	24		267
Accumulated 31 December 2014	**35,684**	**39,466**	**4,373**	**79,523**
Additions of the year	570	13,775	13,518	27,862
Disposals of the year			(13,775)	(13,775)
Currency effects	293	193		486
Accumulated 31 December 2015	**36,547**	**53,434**	**4,117**	**94,097**
	36,547			
Amortization				
Accumulated 1 January 2014	22,997	19,988	-	42,985
Disposals of ordinary amortization	-	-		-
Disposals of amortization and currency effects	228	34		262
This year's ordinary amortization	2,626	4,026		6,652
Accumulated 31 December 2014	**25,851**	**24,048**		**49,899**
Disposals of ordinary amortization				-
Disposals of amortization and currency effects	270	92		361
This year's ordinary amortization	2,287	5,320		7,606
Accumulated 31 December 2015	**28,407**	**29,460**	**-**	**57,867**
Book value				
Book value at 31 December 2013	7,852	8,765	6,068	22,685
Book value at 31 December 2014	9,833	15,417	4,373	29,624
Book value at 31 December 2015	**8,140**	**23,974**	**4,117**	**36,230**
Useful life	3-10 years	5 years		
Depreciation method	linear	linear		

Note 9 - Property, plant and equipment

(NOK 1000)	Furniture and fixtures	IT- equipment	Total
Acquisition cost			
Accumulated 1 January 2014	6,677	3,255	9,932
Additions of the year	751	74	826
Disposals of the year	-	-	-
Currency effects	196	125	321
Accumulated 31 December 2014	**7,624**	**3,455**	**11,079**
Additions of the year	3,742	717	4,459
Disposals of the year			-
Currency effects	307	202	509
Accumulated 31 December 2015	**11,673**	**4,374**	**16,047**
Depreciation			
Accumulated 1 January 2014	4,889	2,875	7,765
Disposals of ordinary depreciation	-	-	-
Currency effects	116	158	274
This year's ordinary depreciation	536	197	733
Year end assessment		4,854	4,854
Accumulated 31 December 2014	**5,541**	**8,084**	**13,625**
Disposals of ordinary depreciation			-
Currency effects	268	215	482
This year's ordinary depreciation	875	191	1,066
Accumulated 31 December 2015	**6,683**	**8,490**	**15,173**
Book value			
Book value at 31 December 2013	1,788	379	2,167
Book value at 31 December 2014	2,083	224	2,307
Book value at 31 December 2015	**4,990**	**738**	**5,727**
Economic life	5 years	3 years	
Depreciation method	linear	linear	

Based on a year-end assessment of a provision of license costs, the Group made an impairment of NOK 4.9 million in 2014 due to changes in the conditions for this provision in this year.

Note 10 - Trade accounts receivable

(NOK 1000)	2015	2014
Gross trade accounts receivable	59,318	64,306
Provisions for losses	-	-
Trade accounts receivable	**59,318**	**64,306**

Losses on trade accounts receivable are classified as other operating expenses in the income statement.
See note 18 for assessment of credit risk.

Movements in the provision for loss are as follows:	2015	2014
Opening balance	0	0
Provision of the year		
Realised loss this year		
Reversal of previous provision		
Closing balance	0	0

Details on the credit risk concerning trade accounts receivable are given in note 18.

The Group had the following trade accounts receivable due, but not paid or written off:

NOK 1000	Total	Not due	<30 d	30-60d	60-90d	>90d
31 December 2015	59,318	49,034	9,325	538	101	320
31 December 2014	64,306	47,922	11,799	2,597	1,503	486
31 December 2013	54,934	40,525	12,682	1,603	124	
1 January 2012	42,137	25,677	12,805	2,449	677	528

Note 11 - Customer projects

(NOK 1000)	2015	2014
Deferred costs related to customer projects	81,636	69,729
Deferred revenue related to customer projects	(55,313)	(44,412)
Net customer implementation costs	**26,323**	**25,317**

Costs related to delivering outsourcing contracts are recognized as they are incurred. However, a portion of costs incurred in the initial phase of outsourcing contracts (transition and/or transformation costs) may be deferred when they are specific to a given contract, relate to future activity on the contract and/ or will generate future economic benefits, and are recoverable. These costs are allocated to work-in-progress (customer projects) and any prepaid revenues by the client is recorded as a deduction from the costs incurred in the balance for customer projects. The deferred costs are expensed evenly over the period the outsourcing services are provided and included in the line item "Amortization implementation cost customer projects".

Note 12 - Other short-term receivables

(NOK 1000)	2015	2014
Advances to employees	6	20
Prepaid rent	959	1,140
Prepaid software	1,055	1,312
Prepaid insurance	707	202
Prepaid other expenses	966	197
Prepaid Maintenance and Service	475	249
Prepaid Travel/entertainment cost	349	-
Other receivables	923	1,227
Total other short-term receivables	**5,439**	**4,346**

Note 13 - Cash and cash equivalents and short term deposits

Cash and cash equivalents

(NOK 1000)	2015	2014
Cash in hand and at bank - unrestricted funds	56,972	65,591
Deposit accounts - guarantee rent obligations - restricted funds	6,387	5,372
Employee withheld taxes - restricted funds	4,382	4,391
Cash and cash equivalents in the balance sheet	**67,740**	**75,354**

The group has unused credit facilities of NOK 15 000 thousand as at 31.12.2015 (NOK 15,000 thousand 31.12.2014). There are no restrictions on the use of these funds.

Short term deposits
The Group pays salaries on behalf of its customers. For this purpose separate deposit accounts are established. These deposits accounts are not recognized in the Groups balance sheets. The table below provides information about amounts on these deposit accounts.

(NOK 1000)	2015	2014
Customer deposits	2,548	2,840
Short term deposits		

Note 14 - Share capital, shareholder information and dividend

(NOK 1000)	2015	2014
Shares - nominal value NOK 0,10	19,124,263	19,124,263
Total number of shares	**19,124,263**	**19,124,263**

The nominal value of the share is NOK 0,10.
All the shares in the Company have equal voting rights and are entitled to dividend.
The computation of earnings per share is shown in note 7.

The major shareholders at 31.12.2015 are:

Shareholder	Number of shares:	% of total	Equal Voting
NORWEGIAN RETAIL AS	3,041,482	15.90%	15.90%
FIDELITY NORDIC FUND	1,823,800	9.54%	9.54%
SKANDINAVISKA ENSKILDA BANKEN AB	1,324,476	6.93%	6.93%
INGERØ REITEN INVESTMENT COMPANY A	1,060,575	5.55%	5.55%
VPF NORDEA KAPITAL	895,722	4.68%	4.68%
HOME CAPITAL AS	701,378	3.67%	3.67%
STATE STREET BANK & TRUST COMPANY	695,000	3.63%	3.63%
VPF NORDEA AVKASTNING	605,705	3.17%	3.17%
FID. FUNDS-EUR. SM. COMP./SICAV	542,982	2.84%	2.84%
AEQUITAS AS	417,433	2.18%	2.18%
VERDIPAPIRFONDET DNB SMB	377,500	1.97%	1.97%
AVANZA BANK AB	352,178	1.84%	1.84%
J.P. MORGAN CHASE BANK N.A. LONDON	296,210	1.55%	1.55%
TACONIC AS	285,212	1.49%	1.49%
BOREA GLOBAL EQUITIES SPESIALFOND	220,000	1.15%	1.15%
LUNDHS LABRADOREKSPORT AS	211,500	1.11%	1.11%
REITEN INVESTMENT COMPANY AS	190,500	1.00%	1.00%
GRANDEUR PEAK INTERNATIONAL OPPORT	188,200	0.98%	0.98%
KOBBÅ INVEST AS	163,204	0.85%	0.85%
PARK LANE FAMILY OFFICE AS	160,000	0.84%	0.84%
Total number owned by top 20	**13,553,057**	**70.87%**	**70.87%**
Shares owned by the Company	**92,950**	**0.49%**	**0.49%**
OTHERS	**5,478,256**	**28.65%**	**28.65%**
Total	**19,124,263**	**100%**	**100%**

Shares held by related parties are disclosed in note 19.

Dividend

Dividend paid to the shareholders of the parent company in 2015 amounted to 14.3 MNOK equaling NOK 0.75 dividend per share. No dividend has been paid in 2014. Dividend of NOK1,263 thousand (2015) and NOK 1,172 thousand (2014) from subsidiaries has been paid to non-controlling interests.

Proposed dividend to be approved at the annual general meeting amounts to NOK 0,85 per share.

Note 15 - Interest-bearing loans and borrowings

(NOK 1000)	Presentation in balance sheet	2015	2014
Loan SG Finans	non-current	324	448
Loan SG Finans	non-current	1,419	1,841
Loan SG Finans	non-current	-	182
Loan SG Finans	non-current	382	-
Carrying amount		**2,125**	**2,471**

Current portion of loan to SG Finans amounts to TNOK 831 (TNOK 1.565 in 2014) and is not included in the table above.

Loan SG Finans
The Company had as of 31.12.2015 four financial leasing agreements with SG Finans related to the procurement of SAP licenses.

Agreement	Balance end of year	Loan information
Agreement 1	0.2 MNOK	related to SAP Licenses for own use. Started in May 2013 Interest rate 7 % Last payment: April 2016
Agreement 2	0.5 MNOK	related to SAP Licenses for own use. Started in April 2014 Interest rate 9 % Last payment: March 2019
Agreement 3	1.8 MNOK	related to SAP Licenses single sign-on functionality Started in December 2014 Interest rate 6 % Last payment: December 2019
Agreement 4	0.5 MNOK	related to SAP Licenses for internal use. Started in June 2015 Interest rate 5.5 % Last payment: April 2020

All agreements are linear monthly paymens

Assets pledged as security
For all loans, the Group has pledged trade receivables up to NOK 54 million as guarantee. Property, plant and equipment has been pledged as guarantee up to NOK 22 million for loans from Nordea Bank Norge. Carrying amounts of pledged assets are: Trade receivables NOK 59.3 million, and fixed assets NOK 5.7 million.

Guarantees and commitments
There are no guarantees issued from the parent company on behalf of The Company against third parties.

The Company is a certified SAP BPO partner. SAP BPO Partners offer the full stack of business process outsourcing services based on SAP HCM business applications. Certified providers undergo a rigorous assessment of their delivery and support capabilities every two years by SAP's outsourcing partner certification group. The agreement involves commitments for future purchases of licenses and maintenance fees amounting to NOK 21.1 million.

Note 16 - Pensions

Pension for employees in the Norwegian entities
The Group is required to have an occupational pension scheme in accordance with the Norwegian law on mandatory occupational pension (""lov om obligatorisk tjenestepensjon""). The Group's pension schemes satisfy the requirements of this law, and represents a defined contribution plan, with disability coverage. At the end of the year there were 142 participants in this defined contribution plan, including the AFP-scheme.

The pension expenses equals the calculated contribution for the year and is NOK 5.6 million (2014 NOK 4.3 million). The scheme is administered by Storebrand.

The Company was part of the LO/NHO-scheme for early retirement (AFP) at the age of 62.

As a replacement of the previous AFP-scheme, a new AFP-scheme has been established. The new AFP-scheme is not an early retirement plan, but a plan that gives a lifelong contribution to the ordinary pension. The employees can choose to exercise the new AFP-scheme starting at the age of 62 years, also in combination with continued work, and the annual regular post-employment benefits increases in the new scheme if early AFP retirement is rejected. The new AFP-scheme is a defined benefit multi-employer plan which is financed through contributions that are determined by a precentage of the employee's earnings. There is currently no reliable measure and allocation of liabilities and assets in the plan. The plan is accounted for as a defined contribution plan which means that the contributions are recognized as expenses with no provisions.

The premium paid during 2015 was 2.4 % of salary between 1 G and 7.1 G. 1G equals NOK 0.1 million as of 31.12.2015.

The AFP-scheme does not publish any estimates on future rate of premiums, but it is expected that the premiums will be increased over time to meet the expectations of increased pension payments.

Pensions for other employees
Employees in Group companies outside Norway have pension plans in accordance with local practice and local legislation.The Group has only defined contributions plans. Contributions are paid to pension insurance plans and charged to the income statement in the corresponding period. Once the contributions have been paid, there are no further payment obligations.

Denmark has a defined contribution plan for all employees, a total of 41 people. Finland has a defined contribution plan for all of its employees, a total of 52 employees. Sweden has a defined contribution plan for all employees, a total of 73 employees.

Total expenses recognized related to pension in 2015 amounts to NOK 18.4 million (2014 NOK 15.8 million).

Note 17 - Other short-term debt

(NOK 1000)	2015	2014
Prepayments from customers*	25,493	44,396
Wages, holiday pay and bonus	22,637	21,873
Accrued expenses and other current liabilities	3,877	3,673
Total	**52,007**	**69,941**

* Prepayments from customers both relate to prepayments of fixed service fees for the first month starting outsourcing deliveres, and prepayments related to liabilities for transferred personnel.

Note 18 - Financial instruments

Financial instruments by category

Financial assets	Loans and receivables	
(NOK 1000)	2015	2014
Trade accounts receivable	59,318	64,306
Other short-term receivables	5,439	4,346
Cash and cash equivalents	67,740	75,354
Total	**132,497**	**144,007**

Financial liabilities	Liabilities at amortized cost	
(NOK 1000)	2015	2014
Borrowings, long term	2,125	2,471
Trade accounts payables	14,582	12,493
Other short-term debt	52,007	69,941
Total	**68,715**	**84,905**

Fair value of financial instruments
It is assessed that the carrying amounts of financial instruments recognized at amortized cost in the financial statements approximate their fair values. The assessment is based on a judgment that is the difference between interest rate at year-end compared to draw down. Value assessment is level 3 in the fair value hierarchy.

Per 31.12. 2015 the Group has a placement of NOK 30.0 million in a fund (Nordea Plan Konservativ). Typically, 95% of the fund's investments are placed in the money market and 5% of the fund's investments are placed in listed shares or share funds. This is a low-risk fund containing readily redeemable cash-equivalent assets. The assessed value of the placement per 31.12.2015 is based on its realizable value (investment including earnings).

Financial risk management

Overview
The Group has some exposure to risks from its use of financial instruments, including credit risk, liquidity risk, interest rate risk and currency risk. This note presents information about the Group's exposure to each of the above mentioned risks, and the Group's objectives, policies and processes for managing such risks. At the end of this note, information regarding the Group's capital management is provided.

Market risk from financial instruments
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: market risk (e.g. interest rate risk and currency risk), commodity price risk and other price risk. The Company's financial instruments are mainly exposed to interest rate and currency risks.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Per 31.12.2015 the Company only has interest bearing debt with fixed interest rates. For the overdraft facility the Company has a floating interest rate condition though the Company had not drawn on this facility per 31.12.2015 or 31.12.2014.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is primarily exposed to foreign exchange risk arising from various currency exposures with respect to the USD, EUR and GBP in relation to its debt obligations as well as from certain commercial transactions. As described above, the Company has entered into swap arrangements to hedge its currency exposures arising from its debt obligations (ref. Note 15).

For operational transactions denominated in foreign currencies, the Company's policy is to exchange into foreign currency as required on a spot basis.

The Group has limited exposure to currency risk from assets and liabilities recognized as of 31 December 2015 and denominated in currencies other than the functional currency of the Group entities.

As of 31 December, the Group has currency exposure from EUR, DKK, INR, SEK and PLN. It is mainly euro exchange rates constituting a currency risk for the Company. A 10% negative change in the exchange rate of euros would have impacted the Ordinary profit before tax negatively with NOK 172 thousand.

Lithuania joined the euro area on 1 January 2015, so LTL has been converted to euro and the Group has no currency exposure from LTL from 1 January 2015.

Credit risk
The carrying amounts of financial assets represents the Group's maximum credit exposure. The counterparty to the cash and cash equivalents and deposits banks which are assessed to be solid.

Regarding trade receivables, the credit exposure are evaluated continously. The Company has a customer portfolio of well-known companies and has had low credit losses (Note 10).

Liquidity risk
Liquidity risk is the risk of being unable to pay financial liabilities as they fall due. The Group's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its financial liabilities as they fall due, under normal as well as extraordinary circumstances, without incurring unacceptable losses or risking damage to the Group's reputation. Prudent liquidity risk management implies maintaining sufficient cash and the availability of appropriate funding.

The following table details the contractual maturities for the Group's financial liabilities. The tables do not include interest payments. The contractual amounts were estimated based on closing exchange rate at balance sheet date.

Per 31 December 2015

(Amounts in NOK)	Less than 3 months	3 to 12 months	1 to 5 years	Total
Borrowings, long term	-	-	2,125	2,125
Borrowings, short term	260	536	-	796
Trade creditors and other short term liabilities	14,582	25,717	25,493	65,793
Total liabilities	**14,842**	**26,254**	**27,619**	**68,715**

Per 31 December 2014

(Amounts in NOK)	Less than 3 months	3 to 12 months	1 to 5 years	Total
Borrowings, long term	-	-	2,471	2,471
Borrowings, short term	567	998	-	1,565
Trade creditors and other short term liabilities	16,378	34,336	30,155	80,869
Total liabilities	**16,945**	**35,334**	**32,626**	**84,905**

Capital management

A key objective in relation to capital management is to ensure that the Group maintains a sufficient capital structure in order to support its business development and to maintain a strong credit rating. The Group evaluates its capital structure in light of current and projected cash flows, potential new business opportunities and the Group's financial commitments. In order to maintain or adjust the capital structure, the Group may issue new shares or obtain new loans.

Note 19 - Transactions with related parties

a) Purchase from related parties

Related party	Transaction	2015	2014
Digoshen AB [1)]	Management Services	368	-
Total		**368**	**-**

1) Liselotte Hägertz Engstam, board member, is director of the board and owns 50% of the shares in Digoshen AB

b) Remuneration to management and board of directors:

2015

Management	Remuneration to Board of directors	Salary	Pensions	Other benefits	Total
CEO	-	2,278	50	33	2,361
Management group	-	11,093	862	105	12,060
Chairman of the board	320	-	-	-	320
Boardmembers	640	-	-	-	640

2014

Management	Remuneration to Board of directors	Salary	Pensions	Other benefits	Total
CEO	-	2,946	49	21	3,016
Management group	-	9,611	564	46	10,221
Chairman of the board	277	-	-	-	277
Boardmembers	427	-	-	-	427

The CEO is entitled to six months severance pay in case of dismissal from the Company or if terminating at own will due to a position change resulting in no longer solely managing the Zalaris Group.

Shares held by related parties as at 31 December 2015

Name	Role	No. of shares
Norwegian Retail AS	CEO (Hans-Petter Mellerud)	3,041,482
Peter T. Gogstad	Vice President HR Business Consulting	60,639
Lars Laier Henriksen	Chairman of the board	36,112
Øyvind Reiten	VP Busines development	3,200
Nina Stemshaug	CFO	2,375
Total		**3,143,808**

Note 20 - Leases

Operating leases
The group has entered into operating leases for vehicles and office machines. The agreements related to office machines contain an option to extend.

These lease costs included:

(NOK 1000)	2015	2014
Ordinary lease payments	1,749	1,785
Future payments related to non-cancellable leases fall due for payment as follows:		
Within 1 year	1,513	1,935
1 to 5 years	1,878	2,350
Future lease commitment	**3,390**	**4,285**

Lease agreeements for office premises
The group has the following lease commitments connected with office premises. End of period is the same as termination of contract.

City	End of period	Annual lease
Norway - Notodden	2018	296
Norway - Karmøy	6 month notice	40
Norway - Sandnes	2018	895
Norway - Oslo	12 month notice	1,307
Norway - Lødingen	3 month notice	1,393
Norway - Porsgrunn	3 month notice	288
Sweden - Sundbyberg	2016	1,067
Sweden - Karlskrona	2019	219
Sweden - Västerås	2017	209
Denmark - Copenhagen	2017	1,008
Finland - Helsinki	2021	1,068
Finland - Rovaniemi	2019	276
Latvia - Riga	2016	1,152
Lithuania - Vilnius	2017	189
Poland - Warzaw	2016	529
India - Chennai	2018	1,215
		11,153

Note 21 - Overview of subsidiaries

The following subsidiaries are included in the consolidated accounts:

Company	Note	Country	Main business line	Ownership	Voting share
Zalaris HR Services Denmark A/S	1	Denmark		100%	100%
Zalaris Consulting Denmark A/S	2	Denmark		100%	100%
Zalaris HR Services Sverige AB	3	Sweden		100%	100%
Zalaris HR Services Finland OY	4	Finland		100%	100%
Zalaris Consulting Finland OY	5	Finland		100%	100%
Zalaris HR Services Norway AS	6	Norway		100%	100%
Zalaris HR Services Latvia SIA	7	Latvia		100%	100%
Zalaris HR Services Lithuania UAB	8	Lithuania		100%	100%
Zalaris HR Services Poland Sp Z.o.o	9	Poland		100%	100%
Zalaris HR Services Estonia	10	Estonia		100%	100%
Zalaris Consulting AB	11	Sweden		81%	81%
Zalaris Consulting AS	12	Norway		67%	67%
Zalaris HR Services India Ltd	13	India		100%	100%

Consolidated from 15.07.2000	1	
Consolidated from 20.12.2007	2	
Consolidated from 19.04.2001	3	
Consolidated from 29.08.2003	4	
Consolidated from 29.08.2003	5	
Consolidated from 30.11.2006	6	
Consolidated from 27.12.2006	7	
Consolidated from 08.05.2013	8	
Consolidated from 26.04.2013	9	
Consolidated from 04.06.2013	10	
Consolidated from 19.04.2001	11	Held by Zalaris Services Sverige AB
Consolidated from 01.08.2002	12	Held by Zalaris Services Norway AS
Consolidated from 01.10.2015	13	

Note 22 - Events after the balance sheet date

According to Zalaris executive remuneration policy approved by the board of directors on 22 April 2015, an employee share purchase program including matching of restricted stock units, has been developed. The board of Directors propose to implement this program in the annual general meeting on 13 May 2016. Further details about the program are available in Zalaris executive remuneration policy which is part of the annual report 2015 approved by the board of directors on the 19 of April 2016.

There have been no other events after the balance sheet date significantly affecting the Group's financial position.

Parent Company
Annual Accounts Report 2015
Zalaris ASA

The parent company annual accounts report for Zalaris ASA contains the following documents:

- Statement of Income
- Balance Sheet
- Statement of Cash Flows
- Statement of Changes in Equity
- Notes to the Financial Statements

The financial statements, which have been drawn up by the Board and management, should be read in relation to the Annual Report and the independent auditor's opinion.

Income statement
1 January - 31 December

(NOK 1000)	Note	2015	2014
Revenue		866	770
Other revenue		84,690	69,791
Total Revenue		**85,556**	**70,561**
Operating expenses			
License costs		19,671	10,961
Personnel expenses	3	18,447	15,565
Other operating expenses	4	70,577	63,250
Amortization intangible assets	5	7,019	6,186
Depreciations and impairments	6	149	5,011
IPO related costs		-	11,948
Total operating costs		**115,863**	**112,922**
Operating profit		**(30,307)**	**(42,361)**
Financial items			
Financial income	15	50,276	43,253
Financial expenses	15	(1,446)	(1,638)
Net financial items		**48,830**	**41,615**
Ordinary profit before tax		**18,523**	**(746)**
Income tax expense			
Tax expense on ordinary profit	7	2,928	(194)
Total tax expense		**2,928**	**(194)**
Profit for the year		**15,595**	**(552)**
Attributable to:			
Proposed dividend		(16,176)	(14,343)
Share premium		16,176	14,343
Other Equity		15,595	(552)

Balance sheet
at 31 December

(NOK 1000)	Note	2015	2014	2013
ASSETS				
Non-current assets				
Intangible assets				
Deferred tax asset	7	-	2,723	2,529
Other intangible assets	5	31,971	26,823	22,561
Total intangible assets		**31,971**	**29,546**	**25,090**
Fixed assets				
Property, plant and equipment	6	345	369	617
Total fixed assets		**345**	**369**	**617**
Financial non-current assets				
Shares in subsidiaries	8	32,769	27,711	27,711
Total financial non-current assets		**32,769**	**27,711**	**27,711**
Total non-current assets		**65,085**	**57,626**	**53,418**
Current assets				
Trade accounts receivable		565	73	2,138
Prepayments		2,169	1,961	
Other short-term receivables	9	588	982	32,390
Other short-term receivables to group company	9	67,099	48,895	
Cash and cash equivalents	10	6,290	6,140	5,850
Total current assets		**76,711**	**58,052**	**40,378**
TOTAL ASSETS		**141,797**	**115,678**	**93,797**

Balance sheet
at 31 December

(NOK 1000)	Note	2015	2014	2013
EQUITY AND LIABILITIES				
Equity				
Paid-in capital				
Share capital		1,912	1,912	339
Own shares - nominal value		(6)	(6)	(6)
Share premium		37,048	53,155	18,441
Total paid-in capital		**38,954**	**55,061**	**18,774**
Other equity		28,399	12,798	18,128
Total earned equity		**28,399**	**12,798**	**18,128**
Total equity		**67,353**	**67,858**	**36,902**
Non-current liabilities				
Interest-bearing loans and borrowings	16	2,125	2,471	3,136
Deferred tax	7	205	-	
Employee defined benefit liabilities		-	4	20
Total long-term debt		**2,331**	**2,475**	**3,156**
Current liabilies				
Trade accounts payable		8,648	6,340	5,885
Interest-bearing loans	16	32,379	15,511	39,688
Short term debt to group company		6,366	2,484	2,612
Public duties payable		2,421	1,632	1,494
Other short-term debt	17	22,299	19,377	4,060
Total short-term debt		**72,113**	**45,344**	**53,739**
Total liabilities		**74,443**	**47,819**	**56,895**
TOTAL EQUITY AND LIABILITIES		**141,797**	**115,678**	**93,797**

Oslo, April 19, 2016

Lars Laier Henriksen
Chairman of the Board

Karl-Christian Agerup
Board Member

Liselotte Hägertz Engstam
Board Member

Jan Mikael Koivurinta
Board Member

Tina S Sund

Tina Steinsvik Sund
Board Member

Statement of cash flows
1 January - 31 December

(NOK 1000)	Note	2015	2014
Cash flows from operating activities			
Operating profit		(30,512)	(42,361)
Amortisation and depreciation		7,169	6,344
Changes in trade accounts receivable and payables		2,021	2,521
Changes in other accruals		(11,950)	(4,838)
Net cash flows from operating activities		**(33,273)**	**(38,334)**
Cash flows from investing activities			
Purchases of Intangible assets and property, plant and equipment		(12,292)	(11,248)
Purchase and investment in subsidiary	8	(5,058)	-
Net cash flows from investing activities		**(17,350)**	**(11,248)**
Cash flows from financing activities			
Net financial income		48,830	41,615
Purchase of own shares	11	34	-
Issuance of new shares		-	49,274
IPO related costs		-	(3,464)
Proceeds from issue of new borrowings		550	2,880
Repayments of borrowings		669	(1,981)
Revolving credit		16,868	(24,177)
Proposed dividend payment		(16,176)	(14,273)
Net cash flows from financing activities		**50,775**	**49,874**
Net changes in cash and cash equivalents		**150**	**290**
Cash and cash equivalents at the beginning of the year		**6,140**	**5,850**
Cash and cash equivalents at the end of the year		**6,290**	**6,140**

Statement of changes in equity

(NOK 1000)	Share capital	Own shares	Share premium	Total paid-in capital	Other equity	Total equity
Equity at 01.01.2014	**339**	**(6)**	**18,441**	**18,774**	**18,128**	**36,902**
Income for the year					(552)	(552)
Proposed dividend			(14,343)	(14,343)		(14,343)
Issue of new shares (20.06.2014)	217		49,057	49,274		49,274
Issue of new shares (13.05.2014)	1,356			1,356	(1,356)	0
IPO related costs				-	(3,464)	(3,464)
Other changes in equity				-	42	42
Equity at 31.12.2014	**1,912**	**(6)**	**53,154**	**55,061**	**12,798**	**67,858**
Equity at 01.01.2015	**1,912**	**(6)**	**53,154**	**55,061**	**12,798**	**67,858**
Income for the year					15,595	15,595
Proposed dividend			(16,176)	(16,176)		(16,176)
Other changes in equity				-		77
Equity at 31.12.2015	**1,912**	**(6)**	**36,978**	**38,884**	**28,393**	**67,353**

Note 1 - Accounting principles and basis for preparation

Zalaris ASA ("the Company") is a limited liability company incorporated and domiciled in Norway. The Company's main office is located in Hovfaret 4, Oslo, Norway. The Company delivers full-service outsourced personnel and payroll services.

The financial statements of Zalaris ASA for the period ending on 31 December 2015 were approved in a board meeting on 19.04. 2016.

1.1 The basis for the preparation of the financial statements

The financial statements of Zalaris ASA for the accounting year 2015 have been prepared in accordance with the Norwegian Accounting act and generally accepted accounting principles in Norway ("NGAAP").

1.2 Accounting principles

Foreign currency
Foreign currency transactions are translated into the functional currency using the exchange rates at the transaction date. Monetary balances in foreign currencies are translated into the functional currency at the exchange rates on the date of the balance sheet. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Revenue recognition
The Company's revenue consists of revenue from providing services to subsidiaries and basic consulting services. Revenue is in general recognized when it is probable that transactions will generate future financial benefits for the Company and the size of the amount can be reliably estimated. Sales revenue is presented net of value added tax and potential discounts.

The service revenue and the revenue from basic consulting services are recognized according to the rendering of the service. Small projects and change orders beyond the terms of the main contract with the customer service delivery are recognized according to the rendering of the services.

Income tax
Income tax expense for the period comprises current tax expense and deferred tax expense.

Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are calculated on the basis of existing temporary differences between the carrying amounts of assets and liabilities in the financial statement and their tax bases, together with tax losses carried forward at the balance sheet date. Deferred tax assets and liabilities are calculated based on the tax rates and tax legislation that are expected to apply when the assets are realized or the liabilities are settled, based on the tax rates and tax legislation that have been enacted or substantially enacted on the balance sheet date. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax assets and liabilities are not discounted.

Intangible assets: Internally developed software
Costs related to internally developed software are capitalized to the extent that a future economic benefit associated with the development of identifiable intangible assets and costs can be reliably measured. Otherwise, the costs are expensed as incurred. Capitalized development is amortized over their useful lives. Research costs are expensed as incurred.

Fixed assets
Fixed assets are valued at cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, the gross carrying amount and depreciation are derecognized, and any gain or loss on the sale or disposal is recognized in the income statement. The gross carrying amount of fixed assets is the purchase price, including duties/taxes and direct acquisition costs related to making the fixed asset ready for use. The depreciation periods and methods are assessed each year. The residual value is estimated every year-end and changes in the estimate for residual value is accounted for as an estimation change.

Leases (as lessee)

Financial leases
Leases where the group assumes most of the risk and rewards of ownership are classified as financial leases. Financial leasing contracts are recognized on the balance sheet and depreciated on a linear basis over the expected useful life of the assets. The leasing debt is classified as a long term debt and the leasing debt is reduced by the payments according to the leasing contract deducted by an interest element which is expensed.

Operating leases
Leases in which most of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Shares in subsidiaries
Shares in subsidiaries are measured using the cost method of accounting in the parent company accounts. Investments are valued at the acquisition cost of the shares unless impairment losses have been made.

Shares in subsidiaries are impaired to fair value when the decrease in value is not considered as temporary. Impairment losses are reversed when the reason for the impairment no longer applies.

Trade and other financial receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method (if the amortization effect is material), less impairment.

Cash and cash equivalents
Cash and the equivalents include cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

Borrowings
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method.

Pension plans
The Company has a defined contribution pension plan. Contributions are paid to pension insurance plans and charged to the income statement in the corresponding period. Once the contributions have been paid, there are no further payment obligations.

Cost of equity transactions
Transaction costs directly attributable to an equity transaction are recognized directly in equity, net after deducting tax.

Events after the balance sheet date
New information on the Company's position at the balance sheet date is taken into account in the financial statements. Events after the balance sheet date that do not affect the Company's position at the balance sheet date, but will affect the Company's position in the future, are stated if significant.

Use of estimates
The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway

Cash flow statement
The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments.

Note 2 - Segment information

The Company has two operating segments, which is Cloud Services to eternal customers and Group Services to subsidiaries.

The Cloud services unit is offering additional cloud based HR functionality to existing outsourcing customers as talent management, digital personnel archive, HR analytics, mobile solutions etc., and was divided into an own reporting segment from 2014.

The Company is providing shared services to its subsidiaries within accounting, IT solutions both for internal use and customer deliveries, and consulting services. Items that are not allocated are mainly sales activities, executive management, HR, interest-bearing loans and other associated expenses and assets related to administration of the Group. The key management in the Company is the chief decision maker in the Group. The investing activities comprise total expenses in the period for the acquisition of assets that have an expected useful life of more than one year.

Assets and liabilities are not allocated to segments.

2015

(NOK 1.000)	Cloud	Group Services	Non-allocated	Total
Other operating income, external	866	84,690		85,556
Other operating expenses	(198)	(80,860)	(27,637)	(108,695)
Depreciation and amortization		(3,830)	(3,338)	(7,169)
Operating profit/(loss)	**668**	**-**	**(30,975)**	**(30,307)**
Net financial income/(expenses)			48,830	48,830
Income tax			(2,928)	(2,928)
Profit for the period	**668**	**-**	**14,927**	**15,595**
Cash flow from investing activities			(17,350)	(17,350)

2014

(NOK 1.000)	Cloud	Group Services	Non-allocated	Total
Other operating income, external	770	69,791		70,561
Other operating expenses	(564)	(66,606)	(22,606)	(89,777)
Depreciation and amortization		(3,185)	(8,013)	(11,198)
IPO related costs			(11,948)	(11,948)
Operating profit/(loss)	**206**	**-**	**(42,567)**	**(42,361)**
Net financial income/(expenses)			41,615	41,615
Income tax			194	194
Profit for the period	**206**	**-**	**(758)**	**(552)**
Cash flow from investing activities			(11,248)	(11,248)

Non-allocated costs includes general administrative costs including group management, business development, marketing, finance and controlling and certain group centralized IT costs.

Geographic information
The Company is delivering services to its subsidiaries in different countries in the Nordic, Baltic and Poland in addition to external customers in Norway, and information regarding revenue based on geography is provided below.

(NOK 1000)	as % of total	2015	as % of total	2014
Norway	47%	40,093	46%	151,480
Sweden	18%	15,469	20%	64,923
Denmark	13%	11,375	19%	60,598
Finland	14%	12,294	14%	44,610
Other	7%	6,325	1%	4,534
Total	**100%**	**85,556**	**100%**	**326,145**

Note 3 - Personnel expenses

(NOK 1000)	2015	2014
Salary	17,374	15,431
Social security tax	2,776	2,535
Pension costs (see note 11)	1,141	983
Capitalized development expenses	(6,392)	(5,962)
Other expenses	3,548	2,578
Total salary expenses	**18,447**	**15,565**

	2015	2014
Average number of employees	**20**	**18**
Average number of FTE	**18**	**17**

See note 12 for transactions with related parties.

Note 4 - Other operating expenses

(NOK 1000)	2015	2014
External services	40,607	34,181
IT services and telecom	23,290	23,916
Office premises	1,538	1,571
Travel and transport	1,066	1,262
Postage and freight	74	121
Other expenses	4,002	2,200
Total other operating expenses	**70,577**	**63,250**

Auditors fee

(NOK 1000)	2015	2014
Auditor fee	982	801
Other attestation services		100
Fee for tax services	54	
Other fees	98	514
Total, excl VAT	**1,134**	**1,415**

Note 5 - Other intangible assets

(NOK 1000)	Licenses and software	Internally developed software	Internally developed software under construction	Total
Acquisition cost				
Accumulated 1 January 2014	38,162	22,134		60,296
Additions of the year	3,960		7,203	11,163
Disposals and currency effects		(676)		(676)
Transfer of of assets between classes	(11,442)	14,272	(2,830)	-
Accumulated 31 December 2014	**30,680**	**35,730**	**4,373**	**70,784**
Accumulated 1 January 2015	30,680	35,730	4,373	70,784
Additions of the year	550		11,617	12,167
Disposals and currency effects				-
Internal AUC reclassified		12,514	(12,514)	-
Accumulated 31 December 2015	**31,230**	**48,245**	**3,475**	**82,950**
Amortization				
Accumulated 1 January 2014	19,513	18,222	-	37,735
This year's ordinary amortization	2,344	3,842		6,186
Disposals of amortization and currency effects		39		39
Accumulated 31 December 2014	**21,857**	**22,103**	**-**	**43,960**
Accumulated 1 January 2015	21,858	22,103	-	43,960
This year's ordinary amortization	2,010	5,009		7,019
Disposals of amortization and currency effects				-
Accumulated 31 December 2015	**23,868**	**27,112**	**-**	**50,979**
Book value at 31 December 2014	**8,823**	**13,627**	**4,373**	**26,823**
Book value at 31 December 2015	**7,362**	**21,133**	**3,475**	**31,971**
Useful life	3-10 years	5 years		
Depreciation method	linear	linear		

To have comparable figures with the consolidated accounts for the Group, the Company has decided to split out the Internally developed software under construction from the Internally developed software in 2014.

Note 6 - Property, plant and equipment

(NOK 1000)	Furniture and fixtures	IT-equipment	Total
Acquisition cost			
Accumulated 1 January 2014	2,843	340	3,183
Additions of the year	10	75	85
Disposals of the year	(214)		(214)
Accumulated 31 December 2014	**2,639**	**415**	**3,054**
Accumulated 1 January 2015	2,639	415	3,054
Additions of the year	91	35	126
Disposals of the year			
Accumulated 31 December 2015	**2,730**	**449**	**3,180**
Decpreciations			
Accumulated 1 January 2014	2,315	251	2,566
This year's ordinary depreciation	87	71	158
Disposals of the year	(39)		(39)
Accumulated 31 December 2014	**2,362**	**323**	**2,685**
Accumulated 1 January 2015	2,362	323	2,685
This year's ordinary depreciation	100	49	149
Disposals of the year			-
Accumulated 31 December 2015	**2,462**	**372**	**2,835**
Book value at 31 December 2014	**277**	**92**	**369**
Book value at 31 December 2015	**268**	**77**	**345**
Useful life	5 years	3-6 years	
Depreciation method	linear	linear	

Based on a year-end assessment of a provision of license costs, the Group made an impairment of NOK 4.9 million in 2014 due to changes in the conditions for this provision in this year.

Note 7 - Income taxes

Income tax expense:

(NOK 1000)	2015	2014
Tax payable	0	
Changes in deferred taxes	2,928	(194)
Tax expense/income	**2,928**	**(194)**

Tax payable in balance sheet:

(NOK 1000)	2015	2014
Ordinary profit before tax	18,523	(746)
Permanent differences	197	30
Change in temporary differences	(2,449)	(1,778)
Tax losses carry forward	(16,271)	2,494
Basis for tax payable	**0**	**0**
Reconciliation of effective tax rate:		
Ordinary profit before tax	18,523	(746)
Calculated tax	5,001	(201)
True-up of provision from 2014 *	(929)	
Other permanent differences	(1,128)	7
Effect chance in tax rate	(16)	
Tax expense	**2,928**	**(194)**
Effective tax rate	**16%**	**26%**

* true- up for 2014 tax provision in connection with submission of the tax return

Specification of tax effects of temporary differences:

(NOK 1000)	2015	2014
Property, plant and equipment	(1,207)	(3,135)
Other differences		4
Tax losses carry forward	387	13,217
Total temporary differences	**(820)**	**10,086**
Total deferred tax assets	(205)	2,723
Total deferred tax	-	-
Net recognized deferred tax asset	**(205)**	**2,723**

Deferred tax 2014 - 25 % in 2015.
Deferred tax 2013 - 27 % in 2014.
Deferred tax 2013 - 27 % in 2013.
Deferred tax 2012 - 28 % in 2012.

Note 8 - Overview of subsidiaries

Amounts in NOK 1000

Company	Consolidated	Location	Ownership	Voting share
Zalaris HR Services Denmark A/S	15/07/00	Copenhagen	100%	100%
Zalaris HR Services Sverige AB	19/04/01	Stockholm	100%	100%
Zalaris HR Services Finland OY	26/09/03	Helsinki	100%	100%
Zalaris Consulting Finland OY	29/08/03	Helsinki	100%	100%
Zalaris HR Services Norway AS	30/11/06	Lødingen	100%	100%
Zalaris HR Services Latvia AS	27/12/06	Riga	100%	100%
Zalaris HR Services Lithuania UAB	08/05/13	Vilnius	100%	100%
Zalaris HR Services Poland Sp Z.o.o	26/04/13	Warsaw	100%	100%
Zalaris HR Services Estonia	04/06/13	Tallinn	100%	100%
Zalaris HR Services India	01/10/15	Chennai	100%	100%
Indirekt owned subsidiaries				
Zalaris Consulting AB	19/04/01	Stockholm	81%	81%
Zalaris Consulting AS	01/08/02	Oslo	67%	67%
Zalaris Consulting Danmark A/S	20/12/07	Copenhagen	100%	100%

Company	Other equity *	Share capital in local currency	Number of shares	Nominal value per share	Carrying value
Zalaris HR Services Danmark A/S		500.0	5,000	100 DKK	5,484
Zalaris HR Services Sverige AB		100.0	1,000	100 SEK	9,716
Zalaris HR Services Finland OY		8.0	1,000	8 EUR	67
Zalaris HR Services Finland OY	1,450				12,159
Zalaris Consulting Finland OY		10.0	100,000	0,1 EUR	84
Zalaris HR Services Norway AS		100.0	1,000,000	0,1 NOK	110
Zalaris HR Services Latvia AS		2.0	2,000	1 LVL	23
Zalaris HR Services Lithuania UAB		10.0	1,000	10 LTL	22
Zalaris HR Services Poland Sp Z.o.o		5.0	100	50 PLN	28
Zalaris HR Services Estonia		2.5	2,500	1 EUR	19
Zalaris HR Services India		40,000,000.0	4,000,000	10 INR	5,058
Total					**32,769**

* Other Equity is converted subordinated loan to subsidiary to equity.

Note 9 - Other short-term receivables

(NOK 1000)	2015	2014
Receivables group companies	67,099	48,895
Other receivables	588	982
Total other short-term receivables	**67,688**	**49,877**

Note 10 - Cash and cash equivalents

(NOK 1000)	2015	2014
Cash in hand and at bank - unrestricted funds	0	14
Deposit accounts - guarantee rent obligations - restricted fund	5,235	5,162
Employee withheld taxes - restricted funds	1,055	964
Cash and cash equivalents in the balance sheet	**6,290**	**6,140**

The group has unused credit facilities of NOK 15 million as at 31.12.2015 (NOK 15 million 31.12.2014).
There are no restrictions on the use of these funds.

Note 11 - Share capital, shareholder information and dividend

Shares	2015	2014
Shares - nominal value NOK 0,10	19,124,263	19,124,263
Total number of shares	**19,124,263**	**19,124,263**

The nominal value of the share is NOK 0,10.
All the shares in the Company have equal voting rights and are entitled to dividend.
The computation of earnings per share is shown in note 7.

The major shareholders at 31.12.2015 are:

Shareholders	Number of shares:	% of total	Equal voting
NORWEGIAN RETAIL AS	3,041,482	15.90%	15.90%
FIDELITY NORDIC FUND	1,823,800	9.54%	9.54%
SKANDINAVISKA ENSKILDA BANKEN AB	1,324,476	6.93%	6.93%
INGERØ REITEN INVESTMENT COMPANY A	1,060,575	5.55%	5.55%
VPF NORDEA KAPITAL	895,722	4.68%	4.68%
HOME CAPITAL AS	701,378	3.67%	3.67%
STATE STREET BANK & TRUST COMPANY	695,000	3.63%	3.63%
VPF NORDEA AVKASTNING	605,705	3.17%	3.17%
FID. FUNDS-EUR. SM. COMP./SICAV	542,982	2.84%	2.84%
AEQUITAS AS	417,433	2.18%	2.18%
VERDIPAPIRFONDET DNB SMB	377,500	1.97%	1.97%
AVANZA BANK AB	352,178	1.84%	1.84%
J.P. MORGAN CHASE BANK N.A. LONDON	296,210	1.55%	1.55%
TACONIC AS	285,212	1.49%	1.49%
BOREA GLOBAL EQUITIES SPESIALFOND	220,000	1.15%	1.15%
LUNDHS LABRADOREKSPORT AS	211,500	1.11%	1.11%
REITEN INVESTMENT COMPANY AS	190,500	1.00%	1.00%
GRANDEUR PEAK INTERNATIONAL OPPORT	188,200	0.98%	0.98%
KOBBÅ INVEST AS	163,204	0.85%	0.85%
PARK LANE FAMILY OFFICE AS	160,000	0.84%	0.84%
Total number owned by top 20	**13,553,057**	**70.87%**	**70.87%**
Shares owned by the Company	**92,950**	**0.49%**	**0.49%**
Others	**5,478,256**	**28.65%**	**28.65%**
Total	**19,124,263**	**100%**	**100%**

Dividend

Dividend paid to the shareholders of the parent company in 2015 amounted to 14.3 MNOK equaling NOK 0.75 dividend per share. No dividend has been paid in 2014. Dividend of NOK1,263 thousand (2015) and NOK 1,172 thousand (2014) from subsidiaries has been paid to non-controlling interests. The board of directors propose a dividend payment for FY 2015 of NOK 0.85 per share.

Note 12 - Pensions

The Company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension (“lov om obligatorisk tjenestepensjon”). The Group’s pension schemes satisfy the requirements of this law, and represents a defined contribution plan, with disability coverage. At the end of the year there were 22 participants in this defined contribution plan.

Expenses equals this year’s calculated contribution and amounts to NOK 1 141 thousand (2014 NOK 983 thousand). The scheme is administered by Storebrand.

The Company’s employees participated in the LO / NHO scheme whereby employees could choose to take early retirement from the age of 62. Total expense related to the early retirement scheme is NOK 0 thousand (NOK 0 thousand in 2014). The Company’s obligation in respect of this scheme per 31.12.2015 is NOK 0 (31.12.2014 NOK 4 thousand). The liability per 31.12.15 includes a provision for the coverage of NOK 0 thousand (31.12.2014 NOK 4 thousand).

Note 13 - Transactions with related parties

a) Purchase from related parties
There were no purchases from related parties in either 2014 or 2015

Related partyTransaction	2015	2014
Digoshen AB 1)Management Services	368	-
Total	**368**	**-**

1) Liselotte Hägertz Engstam, board member, is director of the board and owns 50% of the shares in Digoshen AB

b) Loans with related parties
There were no loans with related parties in either 2014 or 2015

c) Receivables with related parties
There were no receivables with related parties in either 2014 or 2015

d) Remuneration to board of directors and executive management

Remuneration to Board of Directors		2015	2014
Lars Laier Henriksen	Chairman of the board	320	277
Narve Reiten	Board Member	66	107
Tina Steinsvik Sund	Board Member	160	107
Liselotte Hägertz Engstam	Board Member	160	107
Jan Koivurinta	Board Member	160	107
Karl Christian Agerup	Board Member	99	-
Total remuneration to the Board of Directors		**965**	**703**

Remuneration for the FY 2015 to executive management		Salary	Pensions	Benefits	Total
Hans-Petter Mellerud	CEO	2,278	50	33	2,361
Management Group		7,534	267	102	7,903
Total remuneration to executive management		**9,812**	**317**	**135**	**10,264**

Remuneration for the FY 2014 to executive management		Salary	Pensions	Benefits	Total
Hans-Petter Mellerud	CEO	2,946	49	21	3,016
Management Group		6,681	198	43	6,922
Total remuneration to executive management		**9,627**	**247**	**64**	**9,938**

The CEO is entitled to severance pay if he receives a dismissal from the Company. He is also entitled to severance pay if his own termination relates to a change in his position/working tasks, which implies that he no longer has overall responsibility for Zalaris Group. Under such circumstances, the CEO is entitled to severance pay for 6 six months.

e) Shares held by related parties as at 31 December 2015

Name	Role	No. of shares
Norwegian Retail ASCEO	CEO (Hans-Petter Mellerud)	3,041,482
Peter T. Gogstad	Vice President HR Business Consulting	60,639
Lars Laier Henriksen	Chairman of the board	36,112
Øyvind Reiten	VP Busines development	3,200
Nina Stemshaug	CFO	2,375
Total		**3,143,808**

Note 14 - Financial instruments

Financial instruments by category

Financial assets	**Loans and receivables**	
(NOK 1000)	**2015**	**2014**
Trade accounts receivable	565	73
Other short-term receivables to group company	67,099	48,895
Other short-term receivables	588	982
Cash and cash equivalents	6,290	6,140
Total	**74,543**	**56,091**

Financial liabilities	**Liabilities at amortized cost**	
(NOK 1000)	**2015**	**2014**
Borrowings, long term	2,125	2,471
Borrowings, short term, revolving credit	32,379	15,511
Other short-term debt to group company	6,366	2,484
Trade accounts payables	8,648	6,340
Other short-term debt	24,721	21,009
Total	**74,238**	**47,815**

Fair value of financial instruments
It is assessed that the carrying amounts of financial instruments recognized at amortized cost in the financial statements approximate their fair values. The assessment is based on a judgement that difference between interest rate at year-end compared to draw down. Value assessment is level 3 in the fair value hierarchy.

Financial risk management

Overview
The Company has some exposure to risks from its use of financial instruments, including credit risk, liquidity risk, interest rate risk and currency risk. This note presents information about the Company's exposure to each of the above mentioned risks, and the Company's objectives, policies and processes for managing such risks. At the end of this note, information regarding the Company's capital management is provided.

Market risk from financial instruments
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: market risk (e.g. interest rate risk and currency risk), commodity price risk and other price risk. The Company's financial instruments are mainly exposed to interest rate and currency risks.

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Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Per 31.12.2015 the Company only has interest bearing debt with fixed interest rates. For the overdraft facility the Company has a floating interest rate condition.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is primarily exposed to foreign exchange risk arising from various currency exposures with respect to the USD, EUR and GBP in relation to its debt obligations as well as from certain commercial transactions. As described above, the Company has entered into swap arrangements to hedge its currency exposures arising from its debt obligations (ref. Note 12).

For operational transactions denominated in foreign currencies, the Company's policy is to exchange into foreign currency as required on a spot basis.

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For operational transactions denominated in foreign currencies, the Company's policy is to exchange into foreign currency as required on a spot basis.

The Company has limited exposure to currency risk from assets and liabilities recognized as at 31 December 2015 that are denominated in currencies other than the functional currency of the Group entities.

Lithuania joined the euro area on 1 January 2015 so LTL has been converted to Euro and the Company has no currency exposure from LTL from 1 January 2015.

Credit risk
The carrying amounts of financial assets represents the Company's maximum credit exposure. The counterparty to the cash and cash equivalents and deposits banks which are assessed to be solid.

Regarding trade receivables, the credit exposure are evaluated continously. The Company has a customer portfolio of well-known companies and has had low credit losses.

Liquidity risk
Liquidity risk is the risk of being unable to pay financial liabilities as they fall due. The Company's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its financial liabilities as they fall due, under normal as well as extraordinary circumstances, without incurring unacceptable losses or risking damage to the Company's reputation. Prudent liquidity risk management implies maintaining sufficient cash and the availability of appropriate funding.

The following table details the contractual maturities for the Company's financial liabilities. The tables do not include interest payments. The contractual amounts were estimated based on closing exchange rate at balance sheet date.

Capital management
A key objective in relation to capital management is to ensure that the Company maintains a sufficient capital structure in order to support its business development and to maintain a strong credit rating. The Cpmpany evaluates its capital structure in light of current and projected cash flows, potential new business opportunities and the Group's financial commitments. In order to maintain or adjust the capital structure, the Company may issue new shares or obtain new loans.

Note 15 - Financial items

(NOK 1000)	2015	2014
Interest income on bank accounts and receivables	75	165
Group contribution	49,798	41,426
Other financiel income	403	1,662
Finance income	**50,276**	**43,253**
Interest expenses	613	885
Other financiel expenses	833	753
Finance expenses	**1,446**	**1,638**
Net financial items	**48,830**	**41,615**

Note 16 - Interest-bearing loans and borrowings

(NOK 1000)	Presentation in balance	2015	2014
Loan SG Finans	non-current	0	182
Loan SG Finans	non-current	324	448
Loan SG Finans	non-current	1,419	1,841
Loan SG Finans	non-current	382	
Revolving credit	Current	32,379	15,511
Carrying amount		**34,504**	**17,982**

Current portion of loan to SG Finans amounts to TNOK 796 (TNOK 1.565 in 2014) and is not included in the table above.

Loan SG Finans
The Company had as of 31.12.2015 four financial leasing agreements with SG Finans related to the procurement of SAP licenses.

Agreement	Balance end of year	Loan information	
Agreement 1	NOK 0.2 million	related to SAP Licenses for own use.	
		Started in May 2013	
		Interest rate 7 %	
		Last payment: April 2016	
		Net asset value per 31.12.2015:	NOK 1.1 million
		This years depreciation:	NOK 0.2 million
Agreement 2	NOK 0,5 million	related to SAP Licenses for own use.	
		Started in April 2014	
		Interest rate 9 %	
		Last payment: March 2019	
		Net asset value per 31.12.2015:	NOK 0.5 million
		This years depreciation:	NOK 0.1 million
Agreement 3	NOK 1.8 million	related to SAP Licenses single sign-on functionality	
		Started in December 2014	
		Interest rate 6 %	
		Last payment: December 2019	
		Net asset value per 31.12.2015:	NOK 1.7 million
		This years depreciation:	NOK 0.5 million
Agreement 4	NOK 0.5 million	related to SAP Licenses own users	
		Started in January 2015	
		Interest rate 5,5 %	
		Last payment: December 2019	
		Net asset value per 31.12.2015:	NOK 0.5 million
		This years depreciation:	NOK 0.1 million

All agreements are linear monthly payments.

Pledges
For all loans, the Group has pledged trade receivables up to NOK 54 million as guarantee. Property, plant and equipment has been pledged as guarantee up to NOK 22 million for loans from Nordea Bank Norge.

Carrying amounts of pledged assets are: Trade receivables NOK 59.3 million, and fixed assets NOK 5.7 million for the Group.

Guarantees and commitments
There are no guarantees from the parent company on behalf of The Company against third parties.

The Company is a certified SAP BPO partner. SAP BPO Partners offer the full stack of business process outsourcing services based on SAP HCM business applications. Certified providers undergo a rigorous assessment of their delivery and support capabilities every two years by SAP's outsourcing partner certification group. The agreement involves commitments for future purchases of licenses and maintenance fees amounting to NOK 21.1 million.

Per 31 December 2015

(Amounts in NOK)	Less than 3 months	3 to 12 months	1 to 5 years	Total
Borrowings, long term			2,125	2,125
Borrowings, short term	32,575	601		33,175
Trade creditors and other short term liabilities	14,818	24,325		39,143
Total liabilities	**47,392**	**24,926**	**2,125**	**74,443**

Per 31 December 2014

(Amounts in NOK)	Less than 3 months	3 to 12 months	1 to 5 years	Total
Borrowings, long term			2,471	2,471
Borrowings, short term	16,078	998		17,076
Trade creditors and other short term liabilities	8,257	20,015		28,272
Total liabilities	**24,335**	**21,013**	**2,471**	**47,819**

Note 17 - Other short term debt

(NOK 1000)	2015	2014
Wages, holiday pay and bonus	2,649	1,735
Accrued expenses and other current liabilities	3,474	3,299
Proposed dividend	16,177	14,343
Total	**22,299**	**19,377**

Note 18 - Leases

Operating leases
The Company has entered into operating leases for vehicles and office machines. The agreements related to office machines contain an option to extend.

The lease costs include:

(NOK 1000)	2015
Ordinary lease payments	1,483
Future payments related to non-cancellable leases fall due for payment as follows:	
Within 1 year	1,234
1 to 5 years	993
Future lease commitment	**3,710**

Lease agreeements for office premises
The Company has the following lease commitments connected with office premises. End of period is the same as termination of contract.

City	End of period	Annual lease
Norway - Oslo	12 month notice	1,307

Note 19 - Events after the balance sheet date

According to Zalaris executive remuneration policy approved by the board of directors on 22 April 2015, an employee share purchase program including matching of restricted stock units, has been developed. The board of Directors proposes to implememt this program in the annual general meeting on 13 May 2016. Further details about the program are available in Zalaris executive remuneration policy which is part of the annual report 2015 approved by the board of directors on the 19 of April 2016.

There have been no other events after the balance sheet date significantly affecting the Group’s financial position.

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Medlemmer av Den norske revisorforening

To the Annual Shareholders' Meeting of
Zalaris ASA

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of Zalaris ASA, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company comprise the statement of financial position as at 31 December 2015, the statements of income, cash flows and changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information. The financial statements of the Group comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statements of profit and loss, comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Chief Executive Officer's responsibility for the financial statements

The Board of Directors and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the Parent Company and the International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as the Board of Directors and Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Parent Company and the Group.

Opinion on the financial statements of the Parent Company

In our opinion, the financial statements of Zalaris ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements of the Group

In our opinion, the financial statements of the Group have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report and on the statements on corporate governance

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report and in the statements on corporate governance concerning the financial statements, the going concern assumption and the proposal for the allocation of results are consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Chief Executive Officer have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Oslo, 19 April 2016
ERNST & YOUNG AS

Petter Larsen
State Authorised Public Accountant (Norway)

Corporate Governance

Zalaris' corporate governance policy is based on, and complies with, the Norwegian Corporate Governance Code. Good corporate governance will strengthen confidence in Zalaris and help to ensure the greatest possible value creation over time in the best interests of shareholders, employees and other stakeholders. The objective of the Corporate Governance Code is that companies listed on Norwegian regulated markets shall practice corporate governance that regulates the division of roles between shareholders, the Board of Directors and Executive Management more comprehensively than is required by legislation.

Zalaris ASA is incorporated and registered in Norway and is subject to Norwegian law. According to the Accounting Act § 3-3b, the Company is obliged to report on the principles and practices of corporate governance. In addition the Oslo Stock Exchange requires an annual statement on compliance with the Company's corporate governance policy in accordance with NUES the Norwegian Code of Practice for Corporate Governance (Norwegian: "Norsk anbefaling for eierstyring og selskapsledelse"), issued by the Norwegian Corporate Governance Board, most recently revised on 30 October 2014.

The statement for fiscal year 2015 is based on the disposal in the Accounting Act § 3-3b as well as the disposal for Corporate Governance Policy for Zalaris ASA, and was adopted by the Board of Directors on 19 April 2016:

1. Zalaris ASA corporate governance is in compliance with the Norwegian Code of Practice for Corporate Governance (NUES).
2. The Code of Practice is available on www.nues.no
3. The Board of Directors has below made a statement of corporate governance and comments on any deviations that are made under each chapter.
4. In chapter 10, the main elements of Zalaris risk and internal control in the financial reporting process are described.
5. Zalaris has no shareholder decisions that expand or differ from the Norwegian Public Limited Liability Companies Act, chapter 5.
6. The composition of the Board, the remuneration committee, the nomination committee and the audit committee are described in chapter 7, 8 and 9. The main elements of their instructions and guidelines are described in chapter 8 and 9.
7. Shareholder decisions that regulate the election period for the Board of Directors are described in chapter 8.
8. Shareholder decisions and Board of Directors authorizations for issue of new shares or purchase of own shares are described in chapter 3.

1. Statement on Corporate Governance

Zalaris complies with the Norwegian Code of Practice for Corporate Governance of 2014. There are no significant differences between the code and how it is complied with at Zalaris ASA. The Board shall ensure that the Company at all times has sound corporate governance. Zalaris provides an overall review of the Company's corporate governance in the Company's annual report. In addition a description of the most important corporate governance principles of the Company shall also be made available for external interest groups on the Company's website.

The annual review of the Company's compliance with the Corporate Governance for 2015 was adopted on 19 April 2016.

Corporate ethics are about how Zalaris- employees behave towards each other and the world around them. Everybody associated with Zalaris shall comply with the rules and guidelines that build on Zalaris' basic values. In Zalaris everyone should contribute to a sound corporate culture. Zalaris has defined a Code of Conduct which is the foundation of the corporate culture and defines the core principles and ethical standards by which it creates value in the company.

2. Business

Zalaris ASA and its subsidiaries are providing full service outsourcing and consulting services related to sales, implementing and operating processes for the HR (Human Resources) function as payroll, payroll accounting, personnel administration, travel expenses, statutory leave, recruiting, learning process administration etc., and the sale of related software, and to own shares in other companies and other activities related to this.

Zalaris is focusing on high customer satisfaction and a near relationship to its customers which includes local service centers in all countries in which we operate. Local personnel with high competence within HR function processes ensure long term relationships with our customers.

A more detailed description of our services is available on Zalaris' website www.zalaris.com.

3. Equity and Dividends

Equity
Zalaris has experienced a strong revenue growth and believe in further profitable growth for the years to come. To reach this it is essential that the Company has a solid equity and liquidity.

Zalaris' equity per 31 December 2015 was NOK 103.2 million equal to 50.6% equity ratio.

The cash and cash equivalent per 31 December 2015 was NOK 67.7 million.

The Board of Directors considers the Company's capital structure as solid.

Dividend Policy
The Board shall establish a clear and predictable dividend policy as the basis for the proposals on dividend payments that it makes to the general meeting. The dividend policy shall be disclosed.

Authorizations to Increase Share Capital
Authorizations granted to the Board to increase the Company's share capital shall be restricted to defined purposes. If the general meeting is to consider authorizations to the Board for the issue of shares for different purposes, each authorization shall be considered separately by the general meeting. Authorizations granted to the Board shall be limited in time to no longer than until the next annual general meeting.

In Zalaris annual general meeting on 18 May 2015, pursuant to Section10-14 of the Norwegian Public Limited Companies Act, the Board of Directors was granted an authorization to increase the Company's share capital with up to NOK 100,000. The shareholders' preferential rights pursuant to Section 10-4 of the Norwegian Public Limited Companies Act can be deviated from.

The authorization can be used at the Board's discretion including without limitation in connection with incentive programs, increases against contribution in kind etc. pursuant to Section 10-2 of the Norwegian Public Limited Companies Act and increases in connection with mergers pursuant to Section 13-5 of the Norwegian Public Limited Companies Act.

The authorization was limited until the earliest occurring date of either the ordinary general meeting in 2016 or 30 June 2016.

Authorization to Purchase Own Shares
The Board of Directors recommendation is that its authority to buy back its own shares shall be granted for a period limited to the next annual general meeting.

In Zalaris annual general meeting on 18 May 2015, the Board of Directors was granted an authorization to acquire up to 10% of the Company's shares with a total nominal value of up to NOK 191,243. The maximum amount that can be paid per share is NOK 160, and the minimum amount that can be paid per share is NOK 1. The Board of Directors is authorized to acquire and sell shares as the Board finds it appropriate. Acquisition can nevertheless not be done by subscription for shares.

The authorization was limited until the earliest occurring date of either the ordinary general meeting in 2016 or 30 June 2016.

4. Equal Treatment of Shareholders and Transactions with Close Associates

General Information
Zalaris has one class of share. Each share carries one vote, and all shares carry equal rights, including the right to participate in general meetings. All shareholders shall be treated on an equal basis, unless there is just cause for treating them differently.

Share Issues without Pre-Emption Rights for Existing Shareholders
Any decision to deviate from the pre-emption rights of existing shareholders to subscribe for shares in the event of an increase in share capital shall be justified. Where the Board resolves to carry out an increase in share capital and deviate from the pre-emption rights of existing shareholders on the basis of an authorization granted to the Board, the justification shall be publicly disclosed in a stock exchange announcement issued in connection with the increase in share capital.

Transactions in Own Shares
Any transactions the Company carries out in its own shares shall be carried out either through the Oslo Stock Exchange or at prevailing stock exchange prices if carried out in another way. If there is limited liquidity in the Company's shares, the Company shall consider other ways to ensure equal treatment of all shareholders.

Approval of Agreements with Shareholders and Other Close Associates
In the event of not immaterial transactions between the Company and its shareholders, a shareholder's parent company, members of the Board, executive personnel or close associates of any such parties, the Board shall arrange for a valuation to be obtained from an independent third party. This will not apply if the transaction requires the approval of the general meeting pursuant to the requirements of the Norwegian Public Limited Liability Companies Act. Independent valuations shall also be arranged in respect of transactions between companies in the same group where any of the companies involved have minority shareholders.

Members of the Board and executive personnel must notify the Board if they have any significant, direct or indirect, interest in a transaction carried out by the Company.

5. Freely Negotiable Shares

Zalaris shares are freely negotiable and there are no limitations of the negotiability in Zalaris' Article of Association.

6. General Meetings

Exercising Rights
Zalaris facilitates that as many shareholders as possible may participate in the Company's general meetings and that the general meetings are an effective forum for the views of shareholders and the Board.

The notice and the supporting documents and information on the resolutions to be considered at the general meeting shall be available on the Company's website no later than 21 days prior to the date of the general meeting. The notice and agenda for the meeting will be sent per post to all shareholders with a known address in Verdipapirsentralen (VPS) no later than 21 days prior to the date of the general meeting. According to the Zalaris' Article of Association it is sufficient that the supporting documents and information on the resolutions to be considered are available on the company's website. A shareholder may, nevertheless, demand to receive the documents concerning matters that are to be discussed in the general meeting.

The resolutions and supporting documentation, if any, shall be sufficiently detailed and comprehensive to allow shareholders to understand and form a view on matters that are to be considered at the meeting.

The deadline for shareholders to give notice of their attendance at the general meeting will be set as close to the date of the general meeting as possible. The Board and the person who chairs the general meeting shall ensure that the shareholders have the opportunity to vote separately on each candidate nominated for election to the Company's Board and committees.

Shareholders who cannot be present at the general meeting must be given the opportunity to vote by proxy or to participate by using electronic means. The Company will provide information on the procedure for attending by proxy and nominate a person who will be available to vote on behalf of shareholders as their proxy. In addition, a proxy form, will be prepared which shall, insofar as this is possible, be formulated in such a manner that the shareholder can vote on each item that is to be addressed and vote for each of the candidates that are nominated for election.

The general meeting should be attended by representatives from the Board, the nomination committee, the remuneration committee and the audit committee. In addition, the auditor and as a minimum, the CEO and CFO from the management team of Zalaris, will attend the general meeting.

The Board of Directors decides the agenda of the general meeting. The main issues of the agenda follow the requirements in the law. Each general meeting appoints a chairman to ensure an independent chairman in accordance with the recommendation.

The minutes from the annual general meeting will be published on the Company's websites and on the website of the Oslo Stock Exchange.

7. Nomination Committee

The Company shall have a nomination committee comprising such number of persons as determined by the general meeting of the Company from time to time, and which members shall be appointed by a resolution of the general meeting, including the Chairman of the committee. The general meeting shall determine the remuneration of the nomination committee and shall stipulate guidelines for the duties of the nomination committee.

The nomination committee's duties are to propose candidates for election to the Board and to propose remuneration to be paid to such members The nomination committee shall justify its recommendations. The Company shall provide information of the nomination committee and any deadlines for submitting proposals to the committee.

The general meeting on 18 May 2015, elected Bård Brath Ingerø (Chairman) and Ragnar Horn to the nominating committee for a period until the annual general meeting in 2016.

8. Board; Composition and Independence

Board Composition
According to the Articles of Association for Zalaris ASA, the Board of Directors shall consist of three to ten members.

At the end of 2015, the Zalaris' Board of Directors consisted of five members, whereof two women and three men. The Chief Executive Officer of Zalaris is not part of the Board.

The Board of Directors in Zalaris has representatives from all countries in the Nordic region. They have a broad experience from different industries like IT, Finance, Industrial, Consulting and have competencies within organization, management, finance, HR and marketing.

A presentation of the Board of Directors is available on Zalaris website.

Board Independency
The composition of the Board is such that it can attend to the common interests of all shareholders and meets Zalaris' need for expertise, capacity and diversity and that it can act independently of the Company's executive management and material business connections. All members of the Board of Zalaris are independent of the Company's major shareholders, defined as a shareholder that controls 10% or more of Zalaris' shares or votes.

An overview of the shares own by related parties as of 31 December 2015, including board members, is available in the financial statement note 19.

9. The Work of the Board

General
The Board of Directors is responsible for the management of the Company, including the appointment of a Chief Executive Officer to assume the daily management of the Company. The Board members shall discharge their duties in a loyal manner, attending to the interests of the Company, and ensure that its activities are organized in a prudent manner. The Board of Directors shall adopt plans and budgets and guidelines applicable to the activities of the Company. The Board of Directors shall keep itself informed of the financial position of the Company, and has a duty to ensure that its corporate accounts and asset management are subject to satisfactory controls.

The duty and responsibilities of the Board of Directors follows is defined by applicable law, Zalaris' articles of association and the authorizations and instructions given by the General Assembly.

The Board of Directors has adopted a yearly plan of its work focusing on its work to develop the strategy of the Company and to oversee the implementation of this. In addition, the Board of Directors executes supervision to ensure that the company reached its defined targets and that the Company has a satisfactory risk management.

The Board of Directors discusses all relevant matters related to Zalaris activities of significance or of special nature. In 2015, the Board of Directors held 12 board meetings.

In accordance with Norwegian Public Limited companies Act § 6-13, rules of procedure was adopted on 25 April 2014 to set out more detailed provisions regarding the duties and working procedures of the Board of Directors and Chief Executive Officer of Zalaris ASA.

The Chairman is responsible for ensuring that the Board's work is performed in an efficient and proper manner and in accordance with applicable law.

Rules of Procedure for CEO

The Board of Directors is responsible for the appointment of CEO of Zalaris. The Board of Directors also defines instructions, authorizations and conditions for CEO.

Financial Reporting

The Board of Directors receives periodic reports in which the Company's financial status is commented. The Company is following instructions from the Oslo Stock Exchange related to quarterly reporting.

Audit Committee

The Committee shall consist of between two and four members of the Board. The Committee shall be composed within the rules set out in the Norwegian Public Limited Companies Act. Any Committee member may be replaced by the Board at any time.

The function of the Committee is to assist the Board in overseeing the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the independent auditor's qualifications and independence, and the performance of the Company's internal accounting function and independent auditor.

The Committee shall meet as often as it shall determine, but not less frequently than four times per year. The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or any advisor or consultant to, the Committee.

The Committee may, at its discretion, request management, the independent auditor, or other persons with specific competence, including outside counsel and other outside advisors, to undertake special projects or investigations which it deems necessary to fulfill its responsibilities, especially when potential conflicts of interest with management may be apparent.

The auditor shall annually present a plan for the auditing work to the audit committee and have at least one annual meeting with the committee to go through the Company's internal control systems and to identify possible weaknesses and potential areas of improvement.

Members of the Audit Committee for 2015/16 are Tina Steinsvik Sund (Chairman) and Karl Christian Agerup.

Remuneration Committee

The Remuneration Committee shall consist of at least two members of the Board, both of whom shall be independent of the management of the Company.

The Remuneration Committee's primary responsibilities include:

- Assessing the Group's compensation and benefits strategy by an annual review of the organization's overall compensation plan (or practices). This includes monitoring the effectiveness of the design, performance measures and award opportunities offered by the Group's executive compensation plans.
- Overseeing the CEO's efforts to identify and develop potential successors for key executive positions.
- Reviewing annually the Board including performance, working methods and practices and the adequacy of its composition.

Members of the Remuneration Committee for 2015/16 are Lars Laier Henriksen (Chairman) and Liselotte Hägertz Engstam.

Annual Evaluations

In April 2016, the Board has conducted an evaluation of its performance and expertise in 2015.

10. Risk Management and Internal Control

The Board and the management in Zalaris emphasize the importance of establishing and maintaining routines for internal control and risk management that are appropriate in relation to the extent and nature of the Company's activities. Internal controls and the systems for risk management should also encompass the Company's corporate values, ethical guidelines and guidelines for corporate social responsibility.

The Board carries out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements. The most important areas are:

Motivation and Training of Employees
One of Zalaris focus areas is to ensure high quality services to our customers. This is only possible through highly competent and satisfied employees. Thus, Zalaris has implemented a talent management program to ensure a good development of highly qualified personnel in all our departments and functions of the Company. In order to constantly follow up employee satisfaction Zalaris performs regular employee surveys to uncover improvements to be done to achieve a healthy and good social environment for its employees. High employee satisfaction is important to achieve the Company's overall targets.

Internal Work Procedures, Instructions and Authorities
In addition to the instructions which follow each employment contract, Zalaris has established internal procedure manuals for employees to be followed to ensure quality, efficiency and transparency in our internal processes. The Company focuses on the understanding, training and execution of these defined internal procedures.

Financial Reporting
Zalaris has developed internal procedures for monthly, quarterly and annual financial reporting including routines for internal controls. The audit committee reviews the reporting in separate meetings with the CFO of the Company. The consolidated financial statement is prepared in accordance with IAS/IFRS.

The Board receives a monthly report of the consolidated financial results with comments on deviation to adopted budget numbers. In addition the financial result per business unit, per country is presented. At mid-year the Company revises budget numbers and creates a forecast for the rest of the year which is presented to the Board.

The Company has monthly business reviews with each business unit responsible in which financial results for the unit, status on key performance indicators in the customer deliveries, personnel statistics and risk areas are presented and commented by each manager. The target of these business reviews is to identify risks of deviation in all these areas which can cause financial discrepancies to adopted targets as early as possible to be able to initiate actions to reduce potential risks at the earliest. The Group unit manager and the CFO participate in these reviews.

Customer Satisfaction
Zalaris mission is to enable our clients to maximize the value of human capital through excellence in HR processes and thus customer satisfaction is a main focus area for Zalaris. The Company undertakes customer satisfaction surveys on a regular basis to have knowledge about customer satisfaction and to collect information about improvement areas to achieve a high level of customer satisfaction and thus ensure further profitable growth for the Zalaris.

11. Remuneration of the Board

The remuneration of the Board is to be decided by the shareholders at the annual general meeting of the Company. The nomination committee is to propose remuneration to be paid to such members.
The level of remuneration of the Board shall reflect the responsibility of the Board, its expertise and the level of activity in both the Board and any Board committees. The remuneration of the Board shall not be linked to the Company's performance. The Company shall not grant share options to members of the Board.

Members of the Board and/or companies with whom the members are associated shall not take on specific assignments for the Company in addition to their appointments as members of the Board. If they, nonetheless, do take on such assignments this must be reported to the Board and the remuneration for such additional duties must be approved by the Board.

Any remuneration in addition to normal fees to the members of the Board shall be specifically identified in the annual report.

An overview of the remuneration for the Board for fiscal year 2015 is available in the financial statement note 19.

12. Remuneration of Executive Personnel

The Board establishes guidelines for the remuneration of the executive personnel setting out the main principles applied in determining the salary and other remuneration of the executive personnel. These guidelines are communicated to the annual general meeting.

The main principles for determining salaries and other remuneration to the CEO and other executive personnel in Zalaris, is that these should be competitive. Further Zalaris should offer terms that encourage value creation for Zalaris and its shareholders and that promote loyalty to the Company.

In Zalaris the performance based remuneration for executive personnel is at a maximum 30% of the annual fixed salary.

The CEO has six months terms of termination. The other executive personnel in Zalaris have terms of termination between three to six months. The termination time is valid from end of the calendar month in which the notice of termination is communicated in written form.

The CEO is entitled to six months' severance pay in case of dismissal from the Company or if terminating at own will due to a position change resulting in no longer solely managing the Zalaris Group.

An overview of salaries and other remunerations to the executive personnel in Zalaris is available in the financial statement note 19.

13. Information and Communication

The communication policy of Zalaris is based on the approach that objective, detailed and relevant information to the market is essential for a proper valuation of the Company's shares, thus the Company has continuously dialog with analysts and investors.

All periodic financial reporting and information about important events is published according to the adopted guidelines for companies listed on the Oslo Stock Exchange. Zalaris strives at all time to publish all relevant information in a timely, correct, non-discriminatory and efficient manner to the market. All relevant information will be published on the Company's websites and on the website of the Oslo Stock Exchange.

Zalaris shall give all shareholders the same information at the same time. In contact with analysts and investors the Board of Directors and the Management of the Company shall only communicate already published information. The Company has established a communication channel for the shareholders on its website. All published information is available on Zalaris' website. It is also possible for shareholders to send inquiries through the website.

Zalaris holds quarterly web based presentations in which the financial results of the closed quarter and focus areas of the Company are commented in addition to market outlooks and special events which the Company considers as relevant information for its shareholders. The presentation is held by the CEO and the CFO of the Company. Both the quarterly reporting and the presentations will be published on Zalaris' website.

The financial calendar valid for Zalaris is adopted by the Board of Director and determines the date and time for publishing interim reports, annual financial statement and holding of the annual general meeting. The financial calendar is published on Zalaris' website and on the website of the Oslo Stock Exchange.

14. Take-overs

In the event of a take-over process, the Board shall ensure that the Company's shareholders are treated equally and that the Company's activities are not unnecessarily interrupted. The Board shall also ensure that the shareholders have sufficient information and time to assess the offer.

The Board shall not attempt to prevent or impede the take-over bid unless this has been decided by the general meeting in accordance with applicable laws. The main underlying principles shall be that the Company's shares shall be kept freely transferable and that the Company shall not establish any mechanisms which can prevent or deter take-over offers unless this has been decided by the general meeting in accordance with applicable law.

If an offer is made for the Company's shares, the Board shall issue a statement evaluating the offer and making a recommendation as to whether shareholders should or should not accept the offer.

If the Board finds itself unable to give a recommendation to the shareholders on whether or not to accept the offer, it should explain the reasons for this. The Board's statement on a bid shall make it clear whether the views expressed are unanimous, and if this is not the case, it shall explain the reasons why specific members of the Board have excluded themselves from the statement.

The Board shall consider whether to arrange a valuation from an independent expert. If any member of the Board, or close associates of such member, or anyone who has recently held a position but has ceased to hold such a position as a member of the Board, is either the bidder or has a particular personal interest in the bid, the Board shall arrange an independent valuation. This shall also apply if the bidder is a major shareholder (as defined in Section 8 herein). Any such valuation should either be enclosed with the Board's statement, or reproduced or referred to in the statement.

15. Auditor

Zalaris is audited by EY.
Zalaris does not use the auditor for other purposes other than auditing without an approval from the Board. The auditor submits on an annual basis the main features of the plan for the audit of the Company to the Board.

The auditor participates in board meetings dealing with the annual accounts, accounting principles, assess any important accounting estimates and matters of importance on which there has been disagreement between the auditor and the executive management of the Company.

The auditor shall at least once a year present to the Board a review of the Company's internal control procedures, including identified weaknesses and proposals for improvement. In addition the Board shall hold a meeting with the auditor at least once a year at which no representative of the executive management is present.

The Board reports the remuneration to the auditor including details of the fee paid for audit work and any fees paid for other specific assignments to the shareholders at the annual general meeting for approval. An overview of the remuneration paid to the auditor is available in the financial statement note 4.

Executive Remuneration Policy

In accordance with the Public Limited Companies Act § 6-16a, the Board of Directors has prepared the following declaration on guidelines and main principles for the stipulation of salaries and other remuneration for the CEO and other senior management. The declaration was approved by the board of directors on 9 March 2016 and will be presented to the Annual General Meeting of Zalairs ASA on 13 May 2016 for an advisory vote.

1. Main Principles for Zalaris' Remuneration Policy

The Group's development is closely linked to its ability to recruit and retain senior executives. Executives are remunerated at market terms. Remuneration varies over time both in level and methodology.

In addition to salary, the Group uses performance-related and personal bonus that typically vary from 10% to 30% of annual salary, lump-sum payments, leave arrangements, education opportunities and option agreements.

The Group has collective pension schemes.

The Board represented by the remuneration committee shall conduct an annual evaluation of the agreement terms with the Group CEO. Remuneration to other members of the Group executive management is evaluated and settled by the CEO. Remuneration is reviewed annually, but is assessed over several years in order to keep continuity.

The decision-making process for implementing or changing remuneration policies and concepts for the executive management is in accordance with the Norwegian Public Limited Liability Companies Act sections 5-6 and 6-16 a and the instructions of the Board of Directors of Zalaris adopted on 5th of May 2014.

2. Principles of Remuneration to Executive Management

2.1 Base Salary
Management salaries shall be competitive and reflect local market conditions as Zalaris wants to attract and retain attractive leaders.

The basic salary shall normally be the main element of managers' salaries and thus differentiate on the basis of the scope of work, responsibility and performance.

A limitation of the total salary level to management has not been defined. However significant and structural changes shall be approved by the remuneration committee.

Management positions are not paid overtime as compensation for overtime is included in the fixed salary.

2.2 Bonus Program
The bonus program in Zalaris has been designed to motivate managers to strive for continuous improvement of the business and its results and to align with the interest of shareholders.

The bonus scheme for management positions is based on reaching two main categories of targets:

1) Reaching overall company EBIT % target and;
2) Reaching individual goals that have been defined and documented. Typically up to five individual goals are defined with weighting decided in a mutual discussion between the CEO and each group manager. Typical individual goals include reaching target contribution margin for own business units, meeting customer satisfaction targets, improving employee satisfaction etc. Goals are defined and followed up in Zalaris' SuccessFactors solution.

Executive Management Share Purchase Program and Ownership of Zalaris Shares

2.3 Share Ownership for all employees
Zalaris encourage employees to own shares in Zalaris. The Company shall aim at offering annual share purchase programs that will offer employees and management to purchase discounted shares within the limits of the tax free limits.

2.4 Executive Management Share Purchase Program
As of 31.12.2015 Zalaris has neither a share purchase program nor a stock option program for executive management. However the Board of Directors proposes to implement a share purchase program combined with allocation of restricted stock units for the executive management in 2016. A program was developed and externally benchmarked in 2015 together with advisor Equatex Norge AS. The program was approved by the Board of Directors on 9 March 2016.

The key parameters of the proposed share purchase program for executives including a matching with restricted stock units are as follows:

Eligibility:
Executive management

Frequency:
Two allocations of shares subject to be matched by executives own purchase of shares:
Allocation 1: May 2016
Allocation 2: January 2017 with share purchase after Q4 presentation in February 2017, aligned with company insider regulations

Principle for allocation:
Allocation to be made on the basis of tenure, perceived value for company and reaching of individual targets:

Allocation of Restricted Stock Units (RSU) subject to Executive still employed at vesting date and holding required number of shares
Allocation 1: 200'000 shares
Allocation 2: 100'000 shares
Total: 300'000 shares

Matching requirement (i.e.) the number of shares needed to be hold by the executive at the vesting date to receive the matching shares:
Allocation 1: 1/12 x of allocation (8,3%) – i.e. a total of 16'600 shares
Allocation 2: 1 x of allocation (100%) – i.e. a total of 100'000 shares

Vesting:
Allocation 1: 60 months from date of allocation
Allocation 2: 60 months from date of allocation

2.5 Severance Schemes

The Group has limited use of severance payments. However, it does not preclude the use of this if it seems appropriate. No current agreements include allowance for more than six months base salary. Any use of severance payments is restricted and requires approval.

2.6 Fringe Benefits

Managers will receive benefits that are common for similar positions. Normal benefits include mobile phone and broadband. Zalaris actively work to avoid benefits that have a residual cost in the event an employee leaves – as company cars.

There are no particular limitations on the type benefits that can be agreed. However, Zalaris seeks to limit the number of benefits to simplify our internal processes and visualize total compensation through the fixed salary.

2.7 Pensions

Pension for executive management employed in the Norwegian entities
The Group is required to have an occupational pension scheme in accordance with the Norwegian law on mandatory occupational pension ("lov om obligatorisk tjenestepensjon"). The Group's pension schemes satisfy the requirements of this law, and represents a defined contribution plan, with disability coverage.

Pension for executive management employed in entities outside Norway
Pension levels and arrangements for managers outside must be seen in the context of the individual's total wage and employment conditions, and shall be comparable to the total compensation package offered executive management in Norway. Local rules related to pension legislation, social security rights, tax etc. is taken into account when deciding the individual pension schemes.

3. Procedures for Determination of Remuneration to Executive Management

3.1 Remuneration to the CEO

Remuneration to the CEO is determined annually by the Remuneration Committee authorized by the board.

The CEO does not participate in a stock option program nor a share purchase program per end of FY 2015.

3.2 Remuneration to the Group Executive Management

Remuneration to the individual members of the executive management group is determined by the CEO.

Prior to settlement, the CEO shall discuss proposed changes with the Remuneration Committee. The Board will be informed about agreed changes in remuneration.

Arrangements that include allocation of shares, options and other forms of remuneration linked to The Groups shares shall be approved by the General

Assembly. Within the framework of resolution set by the General Assembly, the Board shall decide on the process of implementing the new remuneration scheme. The Board may also delegate such authority to the CEO.

The increase in the base salaries to the Group Executive Management is expected to be moderate.

3.3 Remuneration to the Board of Directors
Remuneration to the Board of Directors is not performance based.

Board members are neither part of a stock option program nor a share purchase program in Zalaris.

Remuneration of the Board for the coming year is determined by the General Assembly, based on a proposal from the Nominating Committee.

3.4 Remuneration to Executive Management in Subsidiaries of Zalaris ASA
All subsidiaries of Zalaris ASA shall follow the main principles of the Groups executive remuneration policy for executive management in each company as described in the preceding sections of this Executive remuneration policy.

The increase in the base salaries to executive management in subsidiaries is expected to be moderate.

4. Principles of Disclosing Remuneration Information

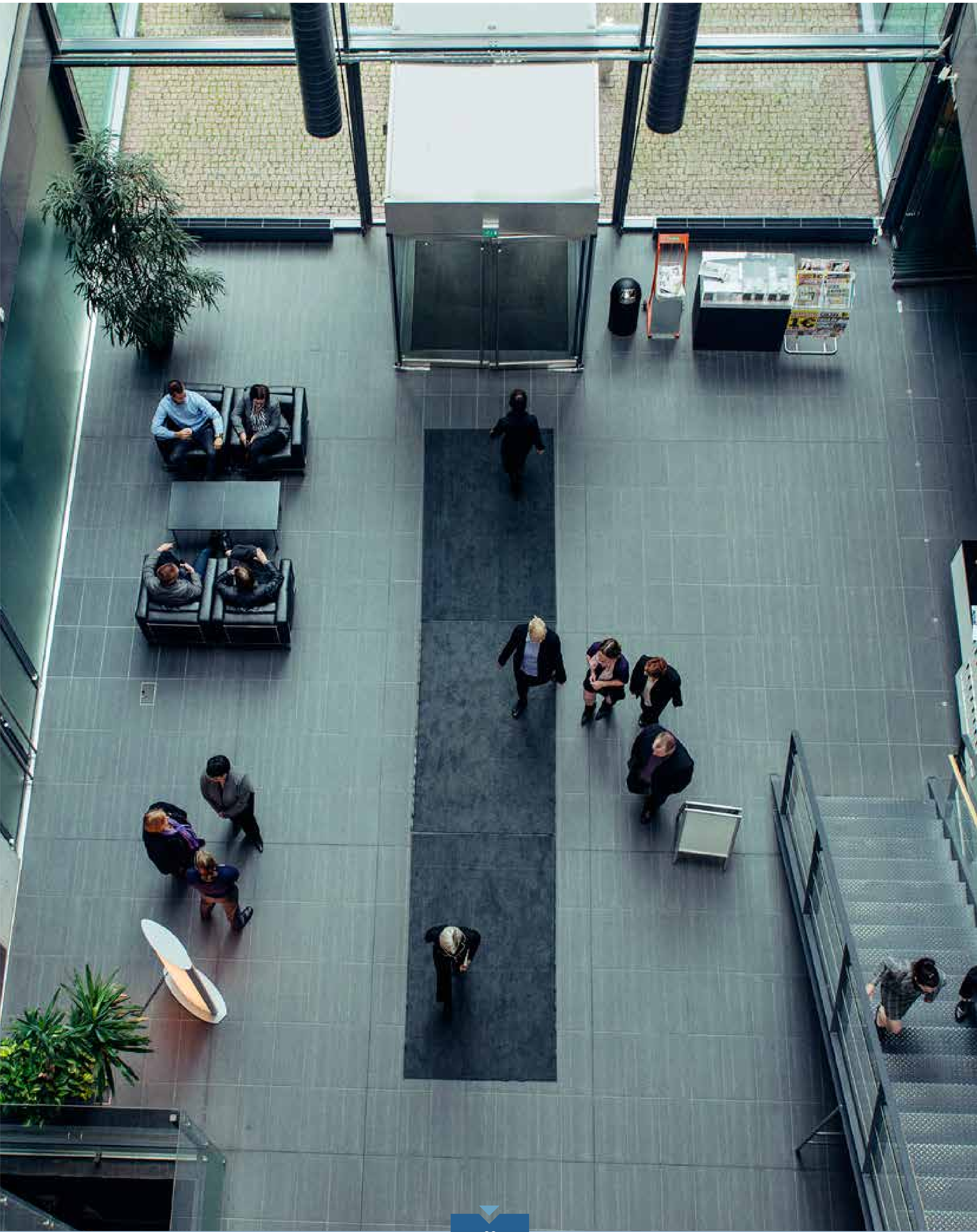
The board's statement regarding remuneration including information about remuneration paid to members of the executive management shall be presented in Zalaris' consolidated financial statements, note 19.

5. Execution of Remuneration Policy

5.1 Execution of remuneration Policy in 2015
The Company's remuneration of the CEO and senior management is conducted in accordance with the guidelines presented above. There are no significant new agreements or changes in remuneration agreements that have been signed in 2015.

According to the guidelines for remuneration in 2015 and based on assessments of both share purchase and stock option programs, a share purchase program has been prepared for executive management as described in section 2.4 above.

5.2 Binding guidelines for remuneration in 2016
For 2016, the Board of Director's proposes to continue the existing remuneration policy.



Shareholder Information

General Information

Zalaris ASA is listed on the Oslo Stock Exchange with ticker ZAL. The share price increased with 31.1% during 2015 and ended on NOK 35.8 per 31 December 2015. The market capitalization end of 2015 was NOK 684.7 million.

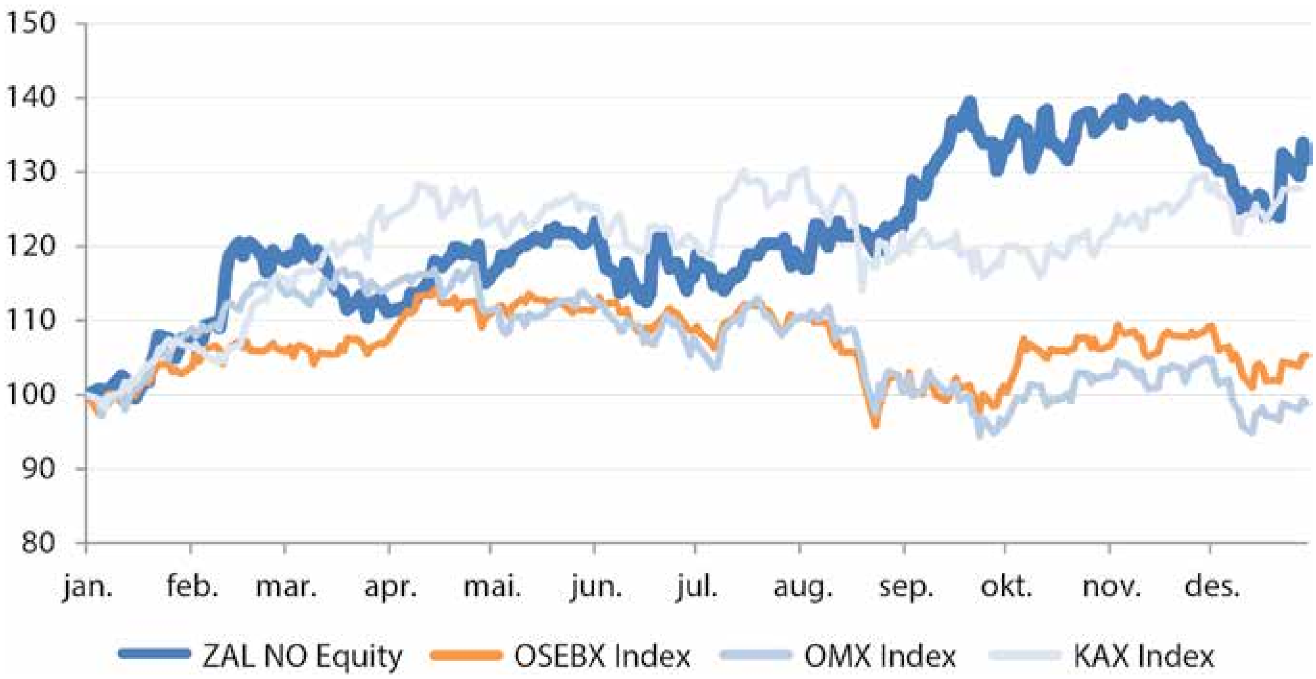
Zalaris has one class of share. Each share carries one vote and all shares carry equal rights, including the right to participate in general meetings. All shareholders shall be treated on an equal basis, unless there is just cause for treating them differently.

Zalaris shares are freely negotiable and there are no limitations of the negotiability in Zalaris' Article of Association.

Key Figures 2015 (all numbers in NOK)

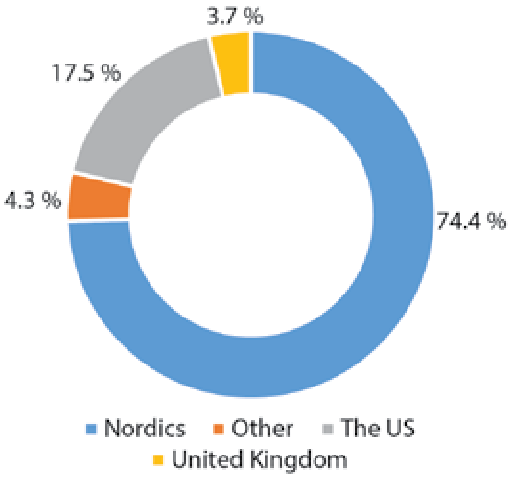
Market capitalization 31 December 2015	684,648,615
Share price per December 2015	35.8
Total number of shares	19,124,263
Proposed dividend per share	0.85
Earnings per share	1.11

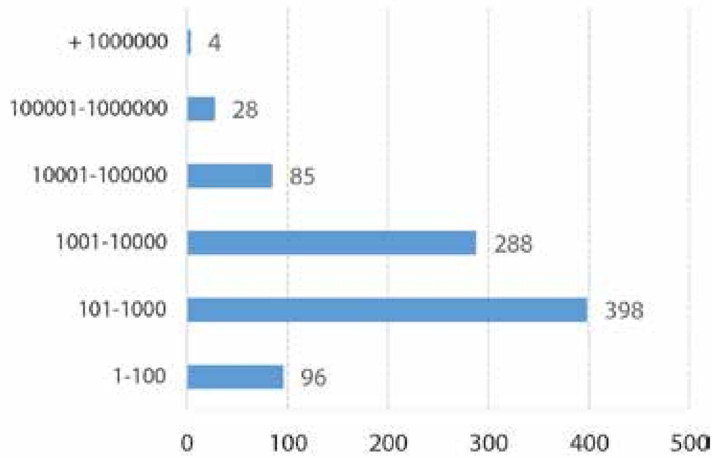
Share price development 1 January – 31 December 2015. Zalaris vs Scandinavian indexes (indexed as of 1 January 2015).



Shareholder

At the end of the year 2015, Zalaris ASA had 894 shareholders whereof 74.4% were located in the Nordics. Per 31 March 2016 the number of shareholders was 969.





20 largest shareholders hold more than 71% of the total shares outstanding. The list below is updated as of 31 March 2016.

	Investor	Country	# of shares	Ownership
1	NORWEGIAN RETAIL AS	NORWAY	3 041 482	15.9 %
2	FIDELITY NORDIC FUND	U.S.A.	1 823 800	9.5 %
3	SKANDINAVISKA ENSKILDA BANKEN AB	SWEDEN	1 312 030	6.9 %
4	INGERØ REITEN INVESTMENT COMPANY A	NORWAY	1 060 575	5.5 %
5	VPF NORDEA KAPITAL	NORWAY	843 753	4.4 %
6	HOME CAPITAL AS	NORWAY	701 378	3.7 %
7	STATE STREET BANK & TRUST COMPANY	U.S.A.	695 000	3.6 %
8	VPF NORDEA AVKASTNING	NORWAY	605 705	3.2 %
9	FID. FUNDS-EUR. SM. COMP./SICAV	LUXEMBOURG	542 982	2.8 %
10	AEQUITAS AS	NORWAY	417 433	2.2 %
11	AVANZA BANK AB	SWEDEN	363 919	1.9 %
12	VERDIPAPIRFONDET DNB SMB	NORWAY	362 926	1.9 %
13	PARK LANE FAMILY OFFICE AS	NORWAY	294 088	1.5 %
14	TACONIC AS	NORWAY	285 212	1.5 %
15	J.P. MORGAN CHASE BANK N.A. LONDON	U.K.	242 591	1.3 %
16	A/S SKARV	NORWAY	225 000	1.2 %
17	LUNDHS LABRADOREKSPORT AS	NORWAY	211 500	1.1 %
18	REITEN INVESTMENT COMPANY AS	NORWAY	194 569	1,0 %
19	KOBBÅ INVEST AS	NORWAY	163 204	0.9 %
20	SKANDINAVISKA ENSKILDA BANKEN S.A.	LUXEMBOURG	160 349	0.8 %
	Total		**13 547 496**	**71 %**

Shareholder Policy

The investor relation policy of Zalaris is based on the approach that objective, detailed and relevant information to the market is essential for a proper valuation of the Company's shares, thus the Company has continuously dialog with analysts and investors.

Zalaris shall give all shareholders the same information at the same time. In contact with analysts and investors, the Board of Directors and the Management of Zalaris shall only communicate already published information.

Zalaris has established a communication channel for the shareholders on its website and all published information is made available on this website. General investor relations inquiries should be addressed to the following email address: ir @ zalaris.com

Zalaris strives at all time to publish all relevant information in a timely, correct, non-discriminatory and efficient manner to the market. All relevant information will be published on the Zalaris' website and on the website of the Oslo Stock Exchange. Shareholders can register to Zalaris' Investor Relations distribution list if they would like to receive investor information directly per email.

Zalaris holds quarterly web based presentations highlighting the financial results of the closed quarter and focus areas going forward. In addition market outlooks and special events which is considered relevant for its shareholders is addressed. The presentation is held by the CEO and the CFO of the Company. Both the quarterly reporting and the presentations will be published on Zalaris' website.

Dividend

Zalaris' overall objective is to create value for its shareholders through an attractive and competitive return in the form of an increase in the value of the share and through the distribution of dividends. The dividends paid should reflect the Company's growth and profitability.

Zalaris will aim at making annual dividend payments in the region of 50% of the net profits before tax, provided that this will not influence target growth negatively and that the capital structure is sound and at a satisfactory level. When deciding the final dividend amount to be proposed for the General Meeting, the Board of Directors will also take into consideration Zalaris' capital requirements, including legal restrictions, capital expenditure requirements and potential investment plans.

The Board of Directors proposes a dividend payment of NOK 0.85 per share for the fiscal year 2015.

Investor Relations Contacts

The CFO in Zalaris ASA is the main contact person for matters related to financial information, such as quarterly reporting and financial statements.

For all other matter such as new customer contracts or other share price sensitive information, CEO of Zalaris ASA is the contact person.

CEO and founder
Hans-Petter Mellerud

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Nina Stemshaug

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Financial Calendar 2016

Event Name	Date
Results Q1	28 April 2016
Annual General Meeting	13 May 2016
Results Q2	18 August 2016
Results Q3	26 October 2016
Results Q4	Ultimo February 2017

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